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The Nation's Business

Let's Forgive This Greek Debt

Greece owes this country $6,525,000. Would it not be a splendid gesture for Canada to forgive the Greek people that debt as an expression of the admiration all Canadians feel for the stand they are making at the Albanian Thermopylae?

In April, 1919, Canada loaned Greece $7,521,300. The money was used to buy Canadian food products. The loan was funded in 1923 when Greece gave us $8 millions of five per cent bonds maturing in various installments up to 1948. Between 1924 and 1931 Greece paid $1,475,000 on account. We have received nothing since. With Greece involved in a costly war it is doubtful if she will ever be able to pay us much if anything.

We also loaned money about the same time to Roumania, France and Belgium. The latter two countries repaid their debts. Roumania has not, but deserves no particular consideration from Canada at this time.

An example set by Canada might not pass unnoticed in a wealthier country which would be better off if it dealt realistically with certain other intergovernmental debts.

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Why Canada Does Less Than it Could

The Ottawa Journal, which has always disliked the thought of businessmen having anything to do with government, is singing the swan song of the "dollar-a-year" men. Unnoticed, declares the Journal, Ottawa is abandoning the "businessmen" and putting its trust in the civil servants. The Journal hails the change as the way to get jobs done.

So far as The Financial Post can observe, there has been no remarkable difference in the results secured at Ottawa by competent business executives on the one hand and competent civil servants on the other, when they were given work they knew how to do and a chance to do it. For instance, it cannot be said that Thomas Arnold or G. R. Cottrelle—businessmen—have measured up any better as supply controllers than Hugh D. Scully, a public servant. Each has done his work well.

This effort to start a feud between two groups of able men, all of whom are needed, is a most unpatriotic and unjust one. More would be accomplished by trying to get at the root of our failures.

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The Journal, in an effort to find a new text for its favorite sermon, overlooks some more basic and important facts.

One of the first weaknesses in our effort to give the country a war economy has been lack of co-ordination. Ottawa has appointed businessmen and civil servants to important jobs and left the entire job of co-ordination to be done by the cabinet ministers. An economic advisory committee and a Wartime Requirements Board and other "co-ordinating" boards have been given advisory powers but the Cabinet does not always take good advice when it gets it.

A second basic weakness is that the best executives in the war jobs have been given insufficient authority to enable them to do the jobs assigned to them.

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The Canadian business executives, foregathered at the nation's call to help us organize an effective war effort, need authority. Independent observers have examined one phase after another of our war effort and found a basic weakness running through many of them: men are given an important job to do, they are held responsible for getting results, but they are not given enough power to act as their experience and wisdom tells them they should act.

Take the Wartime Requirements Board. That board could, under appropriate circumstances, be a mightily effective weapon in co-ordinating our industrial effort to win the war. It could plan a programme that would ensure that not one man-hour of potential labor, not one pound of any key raw material, not one h.p. of electric power was wasted. To ensure as much is, in fact, the job the board has been given to do.

But the board has no real authority, except to advise. The board proposes: the Cabinet disposes.

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Or take the vital matter of aircraft production.

In the past two weeks The Financial Post has discussed in its news columns some disturbing aspects of Canadian aircraft production.

At a time when Britain is pleading for planes, planes and more planes, certain alarming conditions are apparent.

1. That Canada's potential capacity for turning out military planes is not being fully used and that it cannot be fully used without complete reorganization of present administrative machinery.

2. That the Avro-Anson plane-building programme, vitally important in providing training planes for pilots under the Air

(Continued on page 2, col. 4)

Aircraft Plant Kept Almost in Idleness

Big New War Factory of National Steel Car Corp. Now Being Used at Only 15-20% of Capacity

Seventeen miles from Toronto stands one of the largest, most up-to-date airplane plants in Canada.

It is the Malton plant of National Steel Car Co.

Work on this plant began in April, 1938. In 1939 the plant was extended. Total investment by the company is now over $2.5 millions. The plant is now 500 ft. by 700 ft. in size. It is equipped with modern machinery for the manufacture of aircraft.

Using the rough yardstick of one productive worker for every 120 square feet of floor space, this plant might keep as many as 3,000 men busy on each shift.

Three shifts working seven days a week would mean 9,000 men giving 63,000 man days of labor to the production of the most vital commodity in the war effort—planes. This would be roughly 72,000 man hours per day.

Big bombing planes can be turned out in from 75,000 to 120,000 man hours.

Yet the tragic facts are these:

At no time has this plant ever been used to more than a fraction of its full capacity.

Today it is probably not being used to more than one fifth or one sixth of its ultimate, all-out possibilities.

Most of its present production is for a type of plane now considered "useless."

This waste of productive plant continues in spite of the fact that Great Britain and the Empire air training plan clamors for planes.

It continues in the face of a curious anomaly that the Government has recently announced the building of a new costly airplane plant at London, Ontario—a plant which may not be in production for a considerable period of time.

Lysander Planes Built Since 1938

The original order placed with the Malton plant was for the manufacture and assembly of the Westlander Lysander army co-operation plane. In the autumn of 1936, Robert J. Magor, president of National Steel Car Co. obtained in England the rights to manufacture this plane in Canada. Shortly after this, company engineers were sent to England to study the details of manufacture. They spent a year and a half learning how to make these planes.

Early in 1938, the company received from the Canadian Government an order to build 28 Lysander planes. In April, 1938, work began on construction of the new Malton plant. The first machine was ready in August, 1939. Not until a considerably later date were engines and propellers available to fly the machines away. The propellers and engines were supplied from "outside."

In March, 1940, the company received a further order from the Canadian Government for 92 Lysander planes. In addition, the British Government indicated that if the plant were extended, an order for 150 more planes would be forthcoming on U.K. account.

In July, 1940, with work under way on about half the new Canadian order, The Financial Post is informed that notice was received from the Canadian Government indicating that the order for 92 planes was, in effect, revoked.

What had happened?

Simply this: France had folded up. British and Allied armies were withdrawn from the field. An army co-operation plane such as the Lysander became useless.

No Satisfactory Settlement

Apparently negotiations between the company and the Government proved highly unsatisfactory.

Company officials wanted to complete the order, although there seems to be a wide difference in view on this point even within the company itself.

It is understood that one viewpoint strongly held within the company is that if Lysander planes are not presently needed, then the best and only thing to do is to make a clean start on some other type of machine.

The Government reportedly failed to offer any clear-cut alternative.

For over five months there have been delays, reversal of opinions, indecision, confusion.

Machines To Be Crated

Meanwhile, the company has been completing about half the original order although it is understood that engines are not available for this number of planes.

Many of the machines are apparently to be crated. Either they will be put in cold storage "somewhere in Canada," or sold to England if U. K. will take delivery or provide shipping space.

There is no indication as to whether or not the British Government is prepared to take delivery of any of the 150 planes which it had ordered along with the Canadian Government last spring.

As one person expressed it to The Post: "They would be damn fools if they did bother with them just now. Shipping space alone, is too valuable nowadays."

Two Shifts Working

At present, out of about 1,800 men employed at the Malton plant it is understood that at least one half are employed in building "useless" Lysander planes. The remainder are largely occupied with construction of Hampden bomber planes under arrangement with the Canadian Associated Aircraft Co. of which National Steel Car is a constituent company.

The plant is operating on two 10-hour shifts. There are about 1,200

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Says Willkie Not Through

"75% of Canadians Were Against Me," He Tells Post

By RONALD A. McEACHERN
Staff Writer, The Financial Post

ENROUTE TO MIAMI.—Defeated Republican Candidate Wendell Willkie gets more than 1,000 letters a day—75,000 since the election—from disappointed supporters still proclaiming with their loudest prose their personal allegiance to him. Landon's total post-election letter "take" was 5,000.

So Wendell Willkie told me in an interview on the train to Florida.

The famous mop of hair still hangs over his forehead; the voice is still raspy and sore-sounding—though he says it's as good as ever—and he walks down the aisle of a train with boyish embarrassment.

Canadians Against Me

"Did you feel that Canadians were against your election?" I asked him.

"Sure," he grinned. "I think 75% of them would have voted against me. I could feel it every time I got close to the Canadian border; Niagara Falls for instance. There was an enormous amount of letter writing down from Canada to friends and acquaintances in the boundary states and I know quite definitely that it hurt me a lot."

British Help

He obviously doesn't like the Canadian preference for F. D. R. because he thinks it was a serious mistake. While not tossing around criticisms of the present administration, he did tell me very bluntly that he had a far better deal to offer Canada, Britain and the Empire than anybody else; a better deal in organizing America's productive machinery for turning out the things Britain must have for war.

Present U. S. output of war materials should be—and could be—two or three times as great, he thinks. He added a very fervent prayer that the administration will soon get things speeded up and going smoothly.

"What's wrong with the present

(Continued on page 12, col. 8)

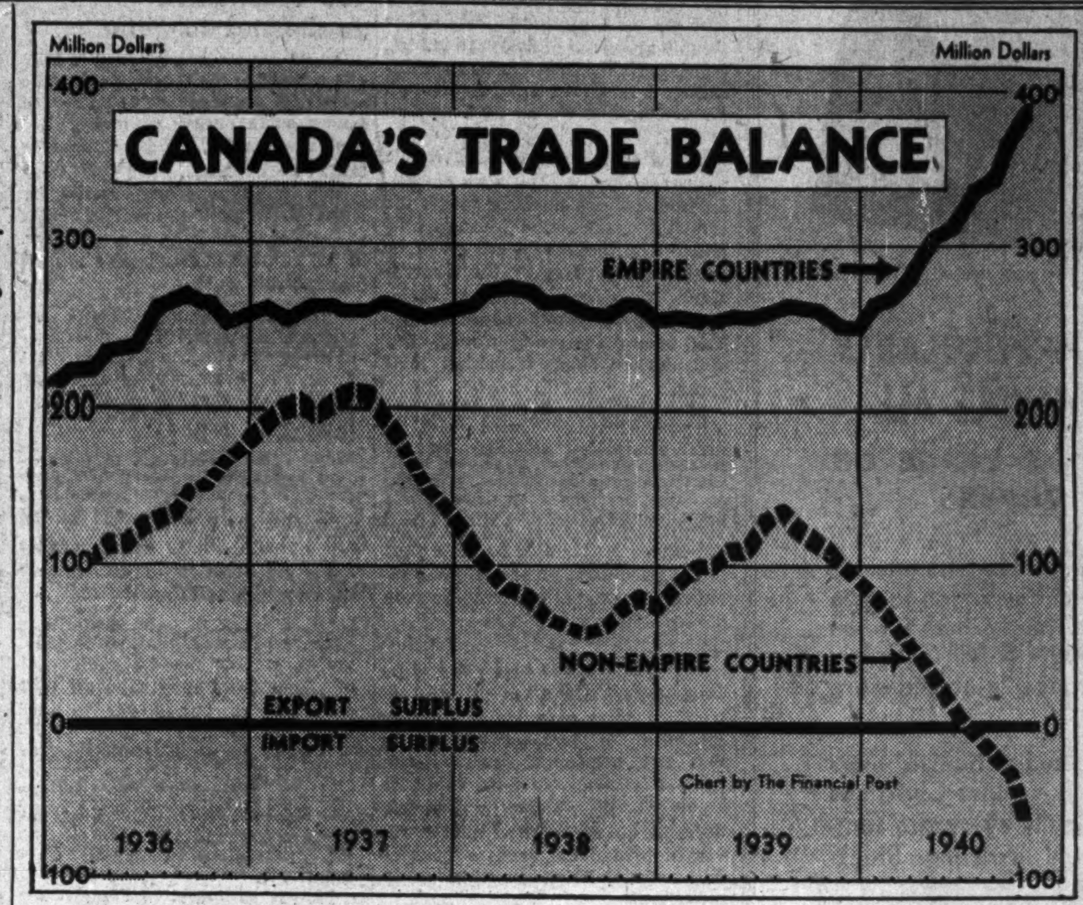
Make Sure You See—

Staff Writer Touring South America
Canada's New Neighbor—p. 11.

More Ideas For Today's Investors
Investing in Wartime—p. 20.

Barite Discovered in Maritimes
Nova Scotia Seeks—p. 19.

Metal Substitutes Tried Out
Ban on Metal—p. 14.



WHY U. S. DOLLARS ARE NEEDED

Since the war started, sales of Canadian goods to other British countries have been increasing more rapidly than our purchases from them. Meanwhile non-Empire countries, chiefly the United States, have been selling us more than we sell them.

The chart, based on Bank of Canada statistics, shows how the export surplus with Empire countries has risen sharply in recent months while that with non-Empire countries has changed into an import or unfavorable trade balance. Non-monetary gold is included.

This is why it is so necessary to conserve U. S. dollars.

Latin America Trade Stressed

C. H. Carlisle Makes Strong Plea For Closer Business Relations

Trade opportunities in Latin-America were strongly emphasized by C. H. Carlisle, president of the Dominion Bank, at the annual meeting of shareholders this week. These opportunities, he declared, had been neglected and a better job would have to be done in making use of them than in the past.

Stating that Canada's hope lies in internationalism, he declared that Canada can no longer wait for trade to come to her but must develop it. So far, although much of the undeveloped wealth of the world was contained in Latin-America, Canada had done practically nothing to share in the trade or development of those countries.

Of their yearly exportable goods, amounting to $1.5 billions, she had purchased an infinitesimal amount, he claimed, while she supplied few of their imports.

If the Mission sent to Latin-America from Canada is to assist trade and thus add to our exports, the purpose was constructive, he said.

Must Buy and Sell

But, he contended, if there is to be any stability to Canada's trade with Latin-America, she must buy as well as sell. By buying certain commodities such as coffee and corn, of which Brazil had such a surplus that she was burning them, Canada would enable that country to direct her labor into other productive channels. Brazil's valuable timber areas could thus be developed. Her rare hardwoods, Mr. Carlisle thought, should find a market in the United States and Canada.

Rubber was another important commodity which Latin-America could produce with advantage. Brazil, he explained, was the home of the rubber tree

F. E. C. B. Plugs Another Leak

By STAFF WRITER

OTTAWA.—Another loop-hole in the exchange situation has been plugged by the Foreign Exchange Control Board. On and after Jan. 1, no resident may pay foreign exchange to or receive foreign exchange from another resident except as provided in the regulations of the Board or under special authority from the Board.

Certain exceptions are granted, but the order is designed to force those Canadians who come into the possession of foreign exchange, particularly U.S. dollars, to turn them over to the Board. Hitherto there has been a small but important supply of "floating" U.S. exchange in the hands of Canadians.

Harding Carpets Volume Jumps

Net earnings of Harding Carpets Ltd., Brantford, Ont., for year ended Oct. 31, last, totalled $279,536—up $93,909 from the previous 12 months. Provision of $97,000 for taxes, compared with $23,000 in the 1938-39 period, resulted, however, in a decline in net profit.

A. E. Cuthbertson, president, reports the increase due entirely to better business as no war contracts have been received. Equipment of the company's mill, it is explained, does not lend itself to any product required for war purposes.

The recent reduction in the tariff on carpets from Great Britain is expected to be offset, according to Mr. Cuthbertson, by the increased business resulting from the bigger payrolls in the country.

The company has declared an extra dividend of 5 cents a share on its common, payable along with the regular semi-annual dividend of 10 cents a share, on Jan. 2, 1941, to shareholders of record Dec. 17.

See Changes Wheat Policy

Ottawa May Leave Acreage Reduction Up to Farmer

From Our Own Correspondent

REGINA.—A fundamental change in policy concerning wheat is reported under discussion between federal, provincial and other interested parties. The change it is understood would relieve the Federal Government of certain responsibility and place some of it on the farmer himself.

To describe this policy in a few words it is believed to be something akin to the ever-normal granary policy of the United States, but without the same financial obligations. For instance the farmer will not be paid for not growing wheat.

In a nut-shell this new idea that is under discussion evolves around a basic theme whereby the Wheat Board would state the amount of wheat it will take in any crop year before seed is sown, thus allowing the setting of a quota of deliveries from the farm, the rest being a problem for the farmer to solve. He can store it and have the "ever-normal granary" and so have wheat on hand for sale during poor years if he can give his ground a rest one year and possibly not sow anything beyond farm requirements.

It is generally believed that farm organization officials over the prairies have been opposed steadfastly to a policy of compulsory acreage reduction. They preferred that the farmer be left to judge for himself what acreage he will sow. There is also considerable dynamite in a government telling a farmer he can sow so many acres only, then have that acreage produce perhaps four or five bushels to the acre. In such years the total prairie acreage yield might not equal Wheat Board requirements thereby putting government officials on the spot in a big way.

Power Plan Is Held Up At Ottawa

National Parks Officials Block Calgary Power Co.'s Scheme to Serve War Industry

By STAFF WRITER

OTTAWA.—Beauty of Canada's national parks must not be marred by a power plant, even though it may be essential to the war effort, in the view of officials of the National Parks Bureau, Department of Mines and Resources.

For weeks a battle on the matter has raged in Ottawa. On the one side are red tape and officialdom. On the other, the Calgary Power Co., which is trying to get a permit for development of additional power within the Banff National Park.

The company wants the power for a wartime industry. It is willing to spend $3 millions to that end. So far it has been stalemated, but a showdown is scheduled in the next few days. An immediate decision must be reached if the Calgary Power Co. is to be in position to meet the power needs of the war industry, sponsored by the Dominion Government.

Serve Ammonia Plant

The present dispute has its origin in the plans of the Department of Munitions and Supply to build a large ammonia plant in southwestern Alberta. Work on this plant has started. The present schedule calls for completion next fall.

The plant must have power to operate. When the department finally decided to go ahead with the work, Calgary Power Co. was informed, as it is the only power producer in the area.

The developed power resources of the company have been fully utilized for some time, in the sense that the company could not take on any large increase in industrial load without curtailment in some other direction.

Study Power Resources

When approached to supply power for the ammonia plant, officials of the company studied the power situation and decided that a new power plant was necessary in order to meet this wartime demand.

Three alternatives were open to the company:

1. It could build a steam plant. A major drawback to this was the difficulty in securing the necessary equipment from the United States.

(Continued on page 2, col. 2)

Pete Output Maintained At '39 Level

But With Lower Crude Prices, Earnings Likely to Show Little If Any Gain

Production of crude oil from International Petroleum's fields in Peru has been down somewhat over the past year. Little change has been experienced in Colombia where, it is understood, production of crude oil from the company's fields is actually limited by the carrying capacity of the Andian National pipe line.

The decline in Peruvian output, however, has been offset by increased output from International Petroleum's share of the Mene Grande production in Venezuela.

Since the outbreak of war publication of monthly production figures has been discontinued. The Oil and Gas Journal recently published figures indicating that the Infantas and La Cira fields of International Petroleum in Colombia produced 10.9 million barrels of oil in the first six months of 1940. Output for all of 1939 totalled 22.1 million barrels.

Earnings May be Unchanged

No official forecast of International Petroleum's earnings for 1940 have been made but it is indicated that, with production probably not much, if any, ahead of 1939 and oil prices on the average a little lower, earnings can hardly show much improvement over the $1.19 a share earned last year.

Development work in the company's fields in Peru and Colombia is understood to have continued the favorable trend reported last year with actual oil reserves at least maintained.

New Field in Venezuela

In Venezuela, what may develop into an important new field, has recently been opened up by Mene Grande Oil Co., one quarter of which company's production is promised to International Petroleum.

The new field is right beside the pipeline from Oficina to the coast and it would be easy to link with the present outlet.

The Shell interests, which purchase half of International Petroleum's share of Mene Grande Oil Co. output have lived up to the contract in every way and their liability is being steadily reduced through deliveries of oil.

Company officials are hopeful that all of the markets lost in Europe by

(Continued on page 2, col. 7)

P.S.—He Got the Job

Windsor Lawyer's $17,500 Bill Paid
Public Office Bestowed On Him, Too

The Ontario Gazette, dated Nov. 30, announced the appointment of Armand Racine, K.C., as public trustee of the province.

Mr. Racine is a Windsor lawyer who has been given positions of preferment since the Hepburn Government came into power.

His recent relationships with the Ontario Municipal Board are said to be linked with the resignation of Hon. Eric Cross. Mr. Cross is said to have protested strongly against the Racine "affair." Some of the facts are as follows:

For some years Mr. Racine has acted as solicitor for the impoverished Township of Sandwich East. More recently he represented the township in its application before the Ontario Municipal Board for approval of its debenture refunding plan.

On July 17, according to the minutes of the Board, Mr. Racine's bill for his services to the township was ordered "referred to the taxing officer at Osgoode Hall and taxed on the Supreme Court scale."

The bill, it is understood, was for approximately $17,500 of which about $1,700 is said to have represented "costs," and the remainder Mr. Racine's fee.

A strong protest was raised by interested parties against the amount of this bill. The fee charged by the firm of Leonard & Leonard, acting as solicitors for the debenture holders in the same case, amounted to approximately $3,500.

Order Rescinded

On Oct. 2 a new order suddenly appeared on the minutes of the Ontario Municipal Board. The new order directed that Mr. Racine's bill be paid. It is believed this second order was made without notice to most of the parties concerned.

On the same day (Oct. 2) Mr. Racine was appointed public trustee of Ontario, although his appointment was not gazetted until last week.

According to the records of the Ontario Municipal Board, the order rescinding the original tax order was made on the application of Mr. Racine and because the Board had received "approval" from the Township of Sandwich and the Department of Municipal Affairs.

It is understood that the "approval" of the Department was given without the consent of the minister and that subsequently Hon. Eric Cross, who had been absent from the city on Oct. 2, protested this.

In this Oct. 2 order the amount of the bill was placed at $7,539.70.

No mention is made in this order that approximately $10,000 had apparently been paid already to Mr. Racine on account of this bill.

This being the case, then the amount of the bill as allowed was

(Continued on page 2, col. 3)

Zeller's Sales Up 30% to Date

From Our Own Correspondent

MONTREAL.—Zellers Ltd., operating a chain of variety stores, reports sales in Nov., 1940, of $786,438. This compares with $603,081 in the same month a year ago, an increase of $183,407 or 30.41%.

Cumulative returns for the first 10 months of 1940 show sales of $6,007,583 in contrast to $4,622,633 for the corresponding period of 1939, an increase of $1,384,950 or 29.96%.

The War And Business . . A Weekly Round-up

Machine Tools

With steps now being taken to break up a possible labor bottleneck next year, those closely in touch with Canada's munitions programme are beginning to feel that an even more serious bottleneck in 1941 will be machine tools.

It is estimated roughly that Canada cannot hope to get more than $10 millions of machine tools monthly from the United States. This is a very large percentage of U.S. production.

Dividing this total by the average cost of a machine tool and making a rough guess as to the number of men who can be given employment for each machine tool it would appear that possibly not more than 7,000 or 8,000 additional workers can be absorbed each month in the industries where production is vitally dependent on machine tools.

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Orders vs. Contracts

There were a lot of newsworthy figures in the address given the Canadian Society of Cost Accountants and Industrial Engineers last week by F. E. Wood, chief cost accountant of the Department of Munitions and Supply.

Mr. Wood reported (for the first time) that the actual total of orders placed on Canadian and British account up to November 27, 1940, amounted to $1,000,000,000. Of this total orders for Canada amounted to $691 millions; $318 millions were British.

These figures compare with a total of $500 millions, the amount of contracts actually reported by the department up to that date.

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Mr. Wood also reported that the air training programme had made use of practically every unit of dirt-moving equipment and every asphalt plant in Canada throughout the past season. Twenty million yards of earth have been moved and 170 miles of hard surface runways had been laid which, if converted into roadway 20 feet wide, would stretch from Moncton to Toronto—850 miles.

Deliveries of automotive equipment now totalled 30,000 units and orders on hand will keep the industry employed to capacity until the end of September, 1941.

In the woollen industry 62 mills were making military cloths and blankets on direct contracts from Ottawa. Present production is estimated at 60% of the capacity of the woollen weaving industry.

In the cotton industry there were 23 mills working on government orders.

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Target Price Contracts

Mr. Wood revealed some interesting information as to the operation of the "target" price contract. This he described as follows:

"In brief, a figure comprising the three elements of labor, materials, and overhead is arrived at, which, in the opinion of both parties, is capable of attainment under the conditions in which the work is to be performed.

"This figure, which is known as the Target Price, having been decided, it is laid down that the contractor shall receive, if his costs are in fact exactly equal to the target price, a sum by way of profit, which is normally taken as a percentage of the target price, but is always expressed as a lump sum and not as a percentage. If the sum of the contractor's costs under the three headings is less than the target price, the contractor is given, in addition to the profit allowance as above defined, a share of the savings effected, usually in some such proportion as 25% to the contractor and 75% to the Government.

"If the contractor's costs exceed the target price, the profit allowance is subjected to an abatement relative to the excess, subject, however, to the condition that the abatement shall not persist to the extent that no profit at all remains, unless it can be clearly established that there has been undue waste in manufacture.

"In the actual application of the system there is, normally, no difficulty at all about ascertaining the true expenditure on labor and materials. On the other hand, to get a true figure, it is necessary for a detailed examination of overheads to be made, and, in that examination, the question invariably arises as to what is and what is not an appropriate overhead for the contract in question.

"Target contracts presuppose the cost plus basis only for the 'target' quantity, or usually about 5% of the total production. Once the production costs are ascertained, a fixed price is negotiated for the balance or 'remainder' and to this extent the purchase becomes a firm price contract."

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U. S. in Canada

Another news item from a public official was the intimation given in New York last Friday by Leonard W. Brockington to the effect that of the 36,000 men now training in Canada under the Commonwealth Air Training programme, 7 per cent or 2,500 are citizens of the United States.

Mr. Brockington was speaking at the closing session of the Association of Life Insurance Presidents.

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Per Capita Yardstick

In Toronto this week H. R. MacMillan, Canada's timber controller and chairman of the Wartime Requirements Board, compared Canada's war effort on a per capita basis with that of Britain.

Canada, he said, would need to spend $12 millions a day instead of $3 millions to equal the British effort. We would need to have between 500,000 and 600,000 men in arms and 1,400,000 men and women at work on war production.

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St. Lawrence "Agreement"

President Roosevelt is apparently fearing trouble in getting a St. Lawrence treaty through the Senate even though the plan is now baited with a tempting "defense" morsel.

Whaley-Eaton reports that the administration is examining the feasibility of getting the seaway and power plan through without a treaty. It points out that in his Detroit message last week he actually said: "I shall propose to the Congress, etc., etc."

If legislation only is required, and not the treaty, the ticklish two thirds Senate majority would be avoided.

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Changes in Prospect

Look for important changes in the senior personnel of the National Defense and Air Departments over the course of the next few months. The growth in personnel has been rapid. It has been necessary to make many appointments of a fill-in nature. Now that both departments are settling down, a certain amount of weeding out of personnel is in prospect.

It is understood that James S. Duncan will be returning to his business connection in Toronto when his present "term" expires in February.

Mr. Duncan went originally to Ottawa last April, was persuaded to stay for a further period last fall.

at EATON'S ★

Christmas GIFT BOXES of FOOD

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All orders for hampers are attractively packed in new cartons—enclosure cards supplied and with city wide Toronto and Suburban delivery service, you are assured of dependable delivery when and as required.

Names of needy families investigated and vouched for, may be secured from the

NEIGHBOURHOOD WORKERS
Christmas Exchange—KI. 3126

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Phone TR. 3311
Grocery Department — 5th Floor

SAMPLE HAMPERS as recommended by Neighbourhood Workers

Hamper No. 9—$5.25

1 peck Potatoes
2 tins peas
1 tin Tomatoes 2½ tin
2 tins Peaches No. 2 sqt. tin
1 doz. Oranges
1 pkg. Apples
½ lb. Coffee
1 jar Jam with pectin 32 oz.
2 lb. Christmas Pudding
1 lb. Seedless Raisins
1 lb. Dates
1 lb. Candy
2 lb. Granulated Sugar
1 lb. Mixed Nuts
1 lb. Sliced Bacon
1 lb. Creamery Butter
1 Roasting Chicken, approx. 5 lb.

Hamper No. 10—$6.25

1 peck Potatoes
2 tins Peas
2 tins Tomatoes 2½ tin
2 tins Peaches No. 2 sqt. tin
1½ doz. Oranges
1 pkg. Apples
½ lb. Coffee
1 jar Jam with pectin 32 oz.
3 lb. Christmas Pudding
1 lb. Seedless Raisins
1 lb. Dates
1 lb. Candy
2 lb. Granulated Sugar
1 lb. Mixed Nuts
1 lb. Sliced Bacon
1 lb. Creamery Butter
9 lb. Roasting Beef

THE T. EATON CO LIMITED
TORONTO CANADA

The Nation's Business

(Continued from page 1)

Training scheme, is far behind schedule.

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What has happened to bring about this impasse is quite plain to those who are well informed. Part of the trouble arises out of delays in getting plans, parts, instructions and specifications from Great Britain. (Not all the red tape is woven on Canadian looms.)

But a large part of the trouble arises from the fact that men recruited from private business to get the airplane production programme under way in Canada are given no substantial backing by the Government. They cannot get approval of their proposals; they cannot be sure that, once plans are approved, they will not be changed behind their backs.

Responsibility for this situation must be placed squarely on the shoulders of Hon. C. D. Howe. He is Canada's munitions boss. He has accepted personal responsibility for the administration of Canada's vast armament programme including the job of producing planes. He has retained all the real power there is in his own hands.

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The bald truth is that there is no dollar-a-year man at Ottawa — whether he is planning, buying or controlling — who has any assurance that any decision he makes will dovetail perfectly into the country's whole war programme; or that any decision he makes will not be reversed behind his back — perhaps without him being informed — by ministers.

Ralph Ingersoll said on the radio on Sunday:

"The only man who has prestige and power in England today is the man who can get something done."

We need to give more power—prestige will follow—to men who can get jobs done.

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No private business would ever get results by appointing experienced managers and giving them no more authority than office boys. No country can get results in its war supply programme by that technique. But that is the way we are trying to get results at Ottawa.

The most urgent need at Ottawa is to give into the hands of one able man the responsibility for co-ordinating war production. He should be free of political duties. He should be judged by one measure only, the measure of results, and he should be given all authority necessary to get results.

Military strategy is a job for generals. Running Parliament is a job for politicians. But production of the munitions of war is an industrial job and it should be entrusted to industrialists.

Both Canada and the United States are trying to run a war supply programme the way they would run a debating society in peacetime. And so both Canada and the United States are falling short of the maximum that is possible and necessary in supplying the economic sinews of ultimate victory.

• • •

We Must Save And Lend to Win

Canadians are being asked to save and to lend to the Government. The request is polite; there is no forced saving as in enemy countries. But our voluntary savings campaigns must be successful.

This point was emphasized by Allan E. Arscott, general manager of the Canadian Bank of Commerce, in his address at the bank's annual meeting this week.

"Half-hearted compliance is not enough," he said. "It is the duty of every Canadian to invest in War Savings certificates, Dominion war loans or non-interest bearing certificates."

Why such investment in government securities is everyone's duty was made apparent by the president, S. H. Logan, in his speech to the bank's shareholders. The essentials of success in our war effort were listed by him as follows:

"Hard work in enthusiastic co-operation in order that, while providing for the necessary defense of Canada, we may give all the assistance in our power to the United Kingdom;

"Strict personal economy, in order to be able to meet the inevitable continuous increase in our tax burdens and enable each of us to contribute to the successful flotation of Canadian war loans; and

"Loyal co-operative support of all emergency measures designed by Government and Parliament for the more effectual prosecution of the war."

• • •

A Sound Programme For Post-war Canada

Forthright indeed were the comments on government and business in Canada, made by C. H. Carlisle in his presidential address at the annual meeting of the Dominion Bank.

Our $8 billions of government debt results from constant surplus deficits in public accounts; we have ten separate governments for only 11 million people; we have constructed luxurious and expensive public buildings; we maintain an unwarranted retinue of officials and staff; we have paid out large sums for "political" projects, unessential to the people's interest.

Now the people have taken new courage from the coming Dominion-provincial conference, called to revise the B. N. A. Act and create a new order. But the remedy, Mr. Carlisle emphasized, will not be found in shifting burdens from one area to another, but in the elimination of duplication and waste.

• • •

We must plan now for a better post-war world, said Mr. Carlisle, one in which the individual is not crushed by the burden of taxes, the absence of profit, by unemployment and the embarrassment of the dole.

How can we achieve this? Mr. Carlisle answers:

"The remedy lies in drastic economy — both individual and national, greater production, greater foreign trade"; in "liberating our statesmen from the shackles of party bondage"; in "reducing the number of governments and lightening the awful load of government machinery"; in "reorganizing the franchise so that the unfit and unworthy do not have equal rights with those who work and produce and pay."

• • •

Who Ordered This Bill Paid?

Elsewhere in this issue The Financial Post publishes some information as to a legal bill submitted to the Ontario Government by Armand Racine, K.C., of Windsor.

Mr. Racine is a lawyer who has been acting for some time on behalf of the bankrupt township of Sandwich East. The bill, reported to total something over $17,000, which he submitted for his services, was challenged and ordered "taxed" by the Ontario Municipal Board. Later, the Board suddenly rescinded its taxing order.

The same day (October 2) Mr. Racine was appointed Public Trustee of the province—a position of great trust and responsibility.

The public trustee handles millions of dollars of funds placed in his custody by statute for those incapable of looking after their own property.

At the time Mr. Racine's bill was ordered paid by the Ontario Municipal Board, it was noted that the paying of the bill had been "approved" by the Department of Municipal Affairs. At that time the Minister of that Department, Hon. Eric Cross, was out of town. When he returned it is understood that he made a strong protest to the Municipal Board.

Subsequently Mr. Cross resigned, in part at least as a result of the Racine affair.

• • •

There are at least two very important points which arise in connection with this matter.

There is an obvious doubt as to whether Mr. Racine, in light of this affair with the Ontario Municipal Board, can be considered the ideal person to be entrusted with a position of such responsibility as Public Trustee for Ontario.

Secondly, there is the suspicion that the Ontario Municipal Board, either directly or indirectly, has allowed itself to be influenced in an unfortunate manner by persons in high responsibility at Queen's Park.

There are obvious advantages in handling certain matters of government business through the creation of independent, competent boards or commissions. But such boards, freed as they are for the most part of the ordinary jurisdictions of the courts, must be kept high and clear of anything suggesting political influence.

The presently available information regarding "l'affaire Racine" raises some disturbing doubts.

IMPORTANT

YOUR WAR BONDS . . .

should be kept in a safe place. We offer you the safety of a Safety Deposit Box in our vault, which may be used as well for any important papers or small articles of value. The rent for such a box is small.

BANK OF MONTREAL

Pete Output Maintained

(Continued from page 1)

German conquests will be replaced in the near future. Already progress has been made, most notable instance being the potential start of delivery of 10,000 barrels of oil daily to the Sarnia refinery of Imperial Oil around the first of the year. This oil will be moved by a combination of tanker and pipe lines, and will come either from Colombia or Venezuela.

Under the new arrangements South American crude is to be carried to Marcus Hook, Pa., where it will be unloaded in tanks of the Sun Oil Co. and pumped from there, a distance of 671 miles, to Sarnia. Imperial will ship the oil under bond through existing lines which are all common carriers.

Increased movement of oil by International Petroleum to Canada plays a share in relieving Canada's foreign exchange problem as it concerns the purchase of crude oil. Being a Canadian company, International Petroleum brings the profits back to Canada. Thus, although sales of oil are normally made in U.S. dollars, the profit also comes back to this country in that currency.

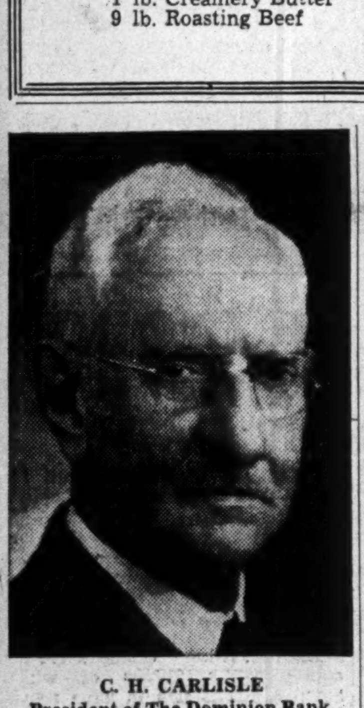
Company officials assure The Financial Post that International Petroleum concessions are in no way affected by recent action of the Colombian Government in ruling that oil land previously considered private property should be returned to the nation.

FOR REAL PLEASURE IN A PIPE YOU MUST TRY HERBERT TAREYTON.

HERBERT TAREYTON SMOKING MIXTURE

T-240

THERE'S SOMETHING ABOUT IT YOU'LL LIKE



C. H. CARLISLE
President of The Dominion Bank, whose address to the shareholders at the 70th Annual Meeting of the Bank appears elsewhere in this paper.

JOINS MONTREAL CURB
From Our Own Correspondent
MONTREAL.—Earl M. Robertson of Toronto has been elected a member of the Montreal Curb Market.

Power Plan Is Held Up

(Continued from page 1)

At best the equipment would not be delivered until long after the ammonia plant was ready to operate.

2. A plant could be put up on the Lower Kananaskis Lake. This scheme was feasible, but it would be at least the summer of 1942 before work could be started.

3. Use of the waters in Lake Minnewanka. A dam is already constructed at that point, the waters being part of the company's storage system. The plan of the company is to increase the storage there.

Plan Canal

From the lake the company proposes building a canal 2½ miles long and a pipe line another half mile in length, in order to obtain a head of some 300 feet.

But Lake Minnewanka lies within a national park. The proposed new plant and all work in connection with it would be within the park limits. Before proceeding with the development it is necessary for Calgary Power Co. to secure permission of the National Parks Bureau, in which the Government vested control of these parks.

Turn Down Proposal

In effect the company was told that war or no war, urgency or no urgency, the national parks were the birthright of the people of Canada, created for their enjoyment, and the National Parks Bureau was not going to have this particular park cluttered up with a power plant.

It was submitted to officials of the bureau that the park area affected was scrub land; there were no camps there; no trails, no natural beauty spots, and that it was extremely difficult of access. Aside from all that, the power was needed for an essential war industry. If the company could not develop energy at Lake Minnewanka, then commencement of operations at the ammonia plant would have to be deferred.

For some time negotiations have been going on between the company and officials of the Parks Bureau. The Department of Munitions and Supply also has shown an interest in the matter. The Calgary Board of Trade has even taken a hand in the affair, urging the granting of rights. The Parks Bureau has remained adamant.

Up to midweek no permit had been issued. It is understood the whole matter has been placed in the hands of the Minister, Hon. T. A. Crerar, and it is hoped he will put through an order-in-council authorizing the company to go ahead.

If this expectation is realized, the order will be issued over the week end or early next week. In that case the plant can be completed so as to tie in with the opening of the new ammonia plant.

P. S.—He Got The Job

(Continued from page 1)

clearly only the balance of the original account and not the amount of the bill as implied by the Oct. 2 order.

The total amount of the bill is not mentioned in the original order of the Municipal Board dated July 17.

Newspapers have already connected the resignation of Hon. Eric Cross as Minister of Municipal Affairs with the Racine affair. On Nov. 29 the Windsor Star, published in Mr. Racine's home town, said in part:

"A principal cause of the disagreement (between Premier Hepburn and Mr. Cross), it is reported, was the payment of a $17,000 legal fee to Armand Racine, Windsor lawyer, friend of Premier Hepburn and now Ontario public trustee, for his services in connection with the refinancing of Sandwich East's municipal debt.

"It was pointed out at the time that the solicitor in the case of the Windsor refinancing — a much greater responsibility — received little more than the fee asked by Mr. Racine.

"However, it seems that a higher authority than Mr. Cross intervened and the Racine bill was paid. . ."

Aircraft Plant Nearly Idle

(Continued from page 1)

men on the day shift, 600 on the night shift.

Negotiations are said to be still under way for the manufacture of some parts for the Avro-Anson programme and also some parts for the Hurricane fighter plane of which 600 were ordered last fall by the British Government from the Canadian Car & Foundry Co.

Questions Asked in House

In the House of Commons recently a question was asked of the Government regarding 800 or 900 men who have reportedly quit their jobs at the Malton plant.

In making the enquiry, T. C. Douglas, M.P. for Weyburn, said in part:

"May I refer the House to the Malton plant near Toronto owned by the National Steel Car Corporation. This is said to be one of the best-equipped plants in the country. The Canadian Government's original educational contract was for 28 Lysander planes. This plane, it is said, is regarded by authorities today as being the best army co-operation plane produced and the need for mass production of these planes is most urgent.

"As I understand it the educational contract called for the first planes to be completed and delivered by November, 1939, but up to December, 1939, only 24 of the 28 had been completed for delivery and the last four were not finished until March, 1940. Since January, 1940, three contracts for Lysander planes have been begun but prior to October 5 not one Lysander plane under the new contracts had been completed for delivery from the Malton shop.

"Hon. members have a right to know what is wrong. Men who have worked in that plant are enthusiastic about its equipment, but in the last few months at least a dozen key men have quit their jobs, among these men being the plant manager, the chief plant superintendent, the chief plant inspector, the erection and shop foreman, the machine shop foreman and the plant's test pilot.

"The estimate given to me is that the employee turnover at Malton during the past year has been from 75 to 90% and that more than 900 men have quit their jobs in the plant during the past six months."

Public Trust

Commenting on the fact that this company has for five months been manufacturing chiefly a type of plane which the fortunes of war have momentarily rendered useless, an airplane executive commented to The Post this week:

"Productive airplane capacity in this country can no longer be considered a private or company affair. This plant and equipment, built long before the present urgent need, is now a matter of public trust.

"It is unthinkable that something has not been done to ensure that this order be either cleared out of the way or abandoned and that the facilities of this plant be used to their utmost to manufacture planes that can be used immediately to win the war."

Said another competent observer:

"There have been faults on both sides. But meanwhile a lot of valuable productive capacity is going to waste. Someone should have stepped in long ago and cleaned up this mess."

Mr. Magor's Statement

The only official statement which has come from the company since the matter was raised in Parliament is an interview last week with Robert J. Magor at Montreal in which Mr. Magor expressed the utmost optimism about the company's airplane programme.

Mr. Magor indicated that negotiations were in progress for production at Malton "of a new combat plane of a design acquired by Britain" and that when these negotiations are concluded "within the next two or three weeks a progressive utilization of full capacity will get under way."

Somewhat similar assurances were understood to have been given the company by the Government several months ago.

T. C. A. Reports Traffic Rise

From Our Own Correspondent

MONTREAL.—Passengers carried by Trans-Canada Air Lines in October totalled 6,059, against 5,736 in September, an increase of 323. Passengers carried in Oct., 1939, totalled 2,328.

Air mail carried increased for the fourth consecutive month. October load was 94,164 lb., an all-time record for Trans-Canada. Air express, however, fell from 12,776 lb. to 10,249 lb.

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DIVIDEND NOTICES

SUPERTEST

Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" Preferred

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this Corporation for the half-year ending December 31, 1940, has been declared payable January 2, 1941, to shareholders on record at the close of business December 13th, 1940.

Common and Ordinary

The Board of Directors has declared a half-yearly dividend of 30c per share and an extra dividend of 25c per share on the Common and Ordinary stocks of this Corporation for the half-year ending December 31, 1940; payable January 2, 1941, to shareholders on record at the close of business December 13, 1940.

Share Warrants

Share Warrant holders will present coupons, serial number 42, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after January 2, 1941, where payment will be made at par.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.

London, Ontario, December 9, 1940.

CHRISTMAS SPIRIT of 1940

Be generous with Canada. Help the country's financing through the purchase of War Savings Stamps and Certificates.

A War Savings Certificate makes a useful and acceptable gift.

BUY WAR SAVINGS CERTIFICATES

"Heap on more wood; the wind is chill
"But let it whistle as it will,
"We'll keep our Christmas merry still."

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ALL BRANCHES SELL WAR SAVINGS STAMPS AND CERTIFICATES

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ONE AND TWO TROUSERS READY FOR WEARING

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IN THESE FINE-QUALITY SUITS Fashion Craft Tailors have excelled themselves. Never before have we offered such amazing value—because, actually, these smart suits haven't even a nodding acquaintance with so low a price as $35. Here is superb hand-tailoring, authoritative styling and a wealth of British Woollens and Tweeds as distinctive as they are varied. See them. Try them on. Come in today.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Shawinigan Falls, P.Q.	Dec.	McLeod, Young, Weir & Co.	4%	1946-55	$109,000	100.77	.....
Hamilton, Ont.	Dec.	Harris, Ramsay & Co., and Burns Bros. & Denton	2½%	1942-46	31,300	100.77	2.80%
			3%	1947-51	307,307		
Barton Twp., Ont.	Dec.	Bell, Gouinlock & Co.	4½%	1941-50	16,358	101.25	.....

London Calling . . By Atticus

Pages of History Flit Quickly — Jervis Bay, Death of Chamberlain and Taranto — King Leopold and the Belgians — German Bombs Delay Copy

LONDON.—We have had a historic week. While Parliament was doing honor to the glorious exploits of the Jervis Bay some eighteen Italian machines found themselves off the Thames Estuary with a strong support of fighters. Fifteen minutes later thirteen of the enemy had been shot down, and the survivors were heading for home.

Barely had our spirits settled down after this satisfying result, in which not a single British fighter was lost, when Mr. Churchill rose after question time and announced that he had good news to impart. In crisp, vivid language he gave us the details of the magnificent episode at Taranto. The scene was unforgettable. The leash of grim resistance to bad tidings was off and every sentence was cheered, while the very air became electric. The Prime Minister used no language to add color to the narrative, but his manner was that of the man who embodies the spirit and greatness of the race whom he has been called upon to lead. Not since Munich have the emotions of the House been so deeply and tumultuously stirred.

But so swiftly did the mood and significance of the time change that whereas on the one day we had left Mr. Churchill flushed and triumphant, we saw him the next day enter the Abbey serious and pale of face to do final honor to Neville Chamberlain.

* * *

Neville Chamberlain

Byron described fame as the thirst of youth. Joaquin Miller, probing deeper, said: "Fame lulls the fever of the soul and makes us feel that we have grasped an immortality." Pope dismissed it with:

> What's fame? A fancied life in others' breath:
> A thing beyond us, ev'n before our death.

Many men who have sought fame and won it have, from the comfort of its acquisition, dismissed it as worthless. Neville Chamberlain never thirsted to be among the famous of this world, but when it came to him I am certain he had a keen appreciation of his ultimate significance in history. That was not vanity, but a clear apprehension of values that never left him. Even in the frenzy of his reception from Munich he knew that he was doomed to a controversy that was certain to grow more bitter as the deterioration of Europe went on.

Probably he himself would have admitted that he never would have risen above the field of municipal politics if it had not been for his marriage. He met Mrs. Chamberlain at his father's house in the south of France when Joseph was a giant political figure and Austen carried himself as the heir-apparent. As a young woman Mrs. Chamberlain had a beauty and freshness that had won both critical and ardent admiration, but she also had an intense interest in the humanities and personalities of politics. At the house party she listened to the father who talked much, to the elder son who talked a good deal, and to the younger son who talked little, but always with telling effect.

Theirs was one of the happy marriages of our time. So closely were they in sympathy, so dependent was the happiness of each upon the other, that one felt almost an intruder in their presence. Mrs. Chamberlain bravely came to the Abbey. It was the end of the story, and she knew that he would have wished her to be there as his remains were buried among the nation's immortals.

* * *

King Leopold Again

The other day I had the pleasure of attending what might be called a Cabinet luncheon. Our old friend the Belgian Ambassador gave a lunch at his Embassy for a few of us to meet his Prime Minister, M. Pierlot, his Foreign Minister, M. Spaak, as well as the Minister of Finance and the Minister of Colonies. M. Pierlot has a calm, unruffled face of quiet strength, and is an engaging conversationalist on many topics. M. Spaak looked much more genial than his reputation for strong opinions and frequent controversy would suggest. Many people have assumed too readily that the free foreign governments which have established themselves in London are subsidized by the British Exchequer. In the case of Belgium this is certainly not so. Her gold was carefully removed to London for safe keeping, and the revenue from her colonies also comes to their government here.

A remark made by the Minister of the Colonies interested me extremely. I asked him if he thought King Leopold would remain on the throne after the war. "I think so and I hope so earnestly," he said. "You may be sure that, whatever he did, he had his people at heart. The people love him as much as they hate the Germans."

There will be many difficult adjustments to be made when the war ends. The position of King Leopold is not the least of them.

* * *

Bombing Interlude

Since writing the above note on our Belgian guests I have had to forgo any further items for half an hour owing to a slight diversion. With a disproportionate amount of whistling, an incendiary bomb came down on my garden, and another one by my front gate. There was an incendiary in the garden next door as well, while a house on the opposite side was directly struck and caught fire.

Perhaps I should have known that buckets of water only seem to inflame the anger of incendiary bombs, but fortunately my staff produced buckets of sand which quickly smothered the flames. A similar operation was performed next door while the fire engines turned up and put out the fire in the house opposite.

Once more the street is its serene self, and my household is asleep again as if nothing untoward had happened. It would seem that we are an adaptable race.

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Ottawa Resents Suggestion Budget Dictated by Britain

From Our Own Correspondent

OTTAWA.—There is surprise and a degree of resentment at Ottawa over the charge made in a weekly periodical that in bringing down the recent budget the Government was, in reality, doing a chore for Great Britain.

This report has it that the Canadian Government cut down imports of non-essentials from the United States in order to put a little gentle pressure on the United States to extend credits to Great Britain. Resentment springs from anxiety lest such a statement blind the public to the urgency of the need for Canada to conserve her United States exchange.

Serious Adverse Balance

Mr. Ilsley did not give precise figures but he gave enough detail to show that the adverse balance against this country in the United States had reached insupportable proportions. Unofficial figures indicate that the increase was from $94 millions in 1939 to at least $300 millions in the present year.

The adverse balance on trade rose from $161 to $300 millions. Other payments — interest dividends, freight, films, advertising, etc.—rose from $285 millions to $295 millions.

Offsetting this are the gold output which increased from $185 millions to $205 millions; and our net balance from tourist trade (chiefly from the U. S.), which fell from $166 millions to an estimated $150 millions. The net balance against Canada is thus revealed as $240 millions (against $94 millions in 1939).

As Mr. Ilsley pointed out there is good reason to believe that the tourist income has been greatly overestimated. The figure used is a Dominion Bureau of Statistics estimate but the Government would have a much closer estimate in the records of the Exchange Control Board. The error is placed at $50 millions, perhaps more.

Fear Harm in U. S.

It is felt that this interpretation of the budget may do substantial harm in the United States, whose exporters would understand Canada having to act in her own interest but would resent such action if it were taken merely to buttress Britain's position.

Plaunt Report Brings Nearer C.B.C. Inquiry

Charges Seem Over-rated But Numerous Resignations Causing Distrust

From Our Own Correspondent

OTTAWA.—The importance of the Plaunt report (and accompanying documents) on the Canadian Broadcasting Corporation, tabled in the House of Commons last week, lies in the extent to which it will add power to the drive for a parliamentary enquiry into the CBC.

Such an enquiry was sought, prior to the publication of these documents but was refused out of hand on Nov. 14 by Hon. C. D. Howe, the minister responsible for the CBC.

The Plaunt papers include two reports on the CBC written after a detailed investigation by Alan Plaunt, one of the original governors who resigned on August 31, and by J. C. Thompson, the chartered accountant. There is in addition, an exchange of letters between Mr. Plaunt and Mr. Howe and Rene Morin, the chairman of the board of governors.

Somewhat Overrated

These papers, upon examination, appear to have been somewhat overrated. They allege inefficiency in CBC management and the need of reorganization and salary revisions.

The Thompson report indicates that the CBC required greater revenues, but that the management has not sought to increase commercial programmes because it desired to preserve good relations with newspapers. Therefore a ceiling on such revenue was put at between $600,000 and $700,000 per year.

Mr. Thompson suggests that CBC rates are lower than comparable rates in the United States. He also records an astonishing carelessness in the accounts of this publicly-owned corporation. An item of $315,573 owing on capital works which were largely completed, was left out of the statement for the year ending March 31, 1939, thereby materially improving the showing.

Mr. Plaunt suggests much more serious defects in the CBC management in his letter to Mr. Morin. He says that action should be taken "because of the practices disclosed at Vancouver." But he nowhere indicates what these practices were or are. He also says that persons have been retained by the CBC who have been "guilty" of "misconduct, insubordination and even irregularity."

There seems to be little in the text of the reports which should be beyond the capacity of the board of governors—which indeed claims to have carried out most of the reforms advocated by Mr. Plaunt.

Other Circumstances

The Plaunt charges, however, are not taken as exhausting the case for a parliamentary enquiry. Other resignations have taken place under circumstances which tend to create disquiet. E. A. Pickering, for several years chief secretary to Prime Minister King, and later assistant to Gladstone Murray, general manager of the CBC, resigned in October, 1939, "on a matter of principle affecting the operation of the CBC." And a few days ago Donald Buchanan, one of the officials of the corporation resigned and again the reason has to do "with the management of the CBC."

In Parliament, chief pressure for an enquiry comes from the C.C.F. No decision is likely until Parliament resumes in February.

Quebec Speaks . . . . .

Quebec and the War

"All those prophets who had stated and written that if war broke out, Confederation would be destroyed and the country divided, have proved to be false prophets. Instead of dividing the country, the war has united it, and the Province of Quebec is solidly behind this Government." —*Rt. Hon. Ernest Lapointe, in the House of Commons.*

* * *

G. Graydon, M.P. (Peel)—Is the Hon. member opposed to imperialism?

L. P. Picard, M.P. (Bellechasse.) "I am opposed to that imperialism which places the Empire above Canada. I am for Canada first; I place Canada above all. Canada should play her part in the Empire, but we should not lose sight of the interests of Canada."

* * *

The French Press

"It is for ourselves first of all and above all that we are at war.

"As the war has since proceeded, facts prove that had Canada not entered the conflict when she did she would ultimately have been forced into it for her own security.

"We need think only of the wealth of our national resources and the rapacity of the dictators to understand to what point and the reason why we were and still are menaced." —*Le Soleil, Quebec.*

* * *

"French Canadians realize the necessity for co-operation in Canada, but they regret to see their attitude so poorly appreciated. We express their thought in suggesting that leading Anglo-Canadians join them to start an era of mutual respect and equity in Canada."—*L'Action Catholique, Quebec.*

* * *

"The newspapers of Toronto, Ottawa and Winnipeg which are singing in unison the praises of French Canadians must not forget this: If they have found the way to Damascus, the light which has directed them should help to an intelligent understanding of the complex questions which await consideration. In January next, statesmen of all the provinces will meet in a sincere spirit of goodwill. That does not mean they all share the same views. The opportunity will be for free discussion and mutual concessions in seeking a modus vivendi that will be acceptable by all." — *Le Canada, Montreal.*

* * *

"Let us stop talking of Canadians from the point of view of their European origin. That has done us much harm in the past. Let us make an effort to be good Canadians, true Canadians, with the various elements which go to make up the nation. Here let us say in all justice that Canadians whatever their origin, should have the advantage of becoming exclusively Canadians, as we all are, we who, long since, have forgotten that our ancestors came from Europe."—*Le Jour, Montreal.*

* * *

"And you, gentlemen, you as well: the more generations you have behind you in this country, the more Canadian you are."—*Hon. Adélard Godbout, Premier of Quebec.*

* * *

Quebec on the Budget

"C'est la guerre! . ." writes *La Presse, Montreal,* Quebec's largest daily. The task was not easy, La Presse further comments. "The Government had to cry and conciliate our commercial relations with the United States, the needs of tourism and the health of the Canadian population. Mr. Ilsley's formula seems to have taken all of this into account. Hence the chance that it may eventually prove to be suited to present circumstances just as well as any fiscal legislation may be adapted to an economy disturbed by war. Let us hope that everyone will accept these restrictions with a generous spirit. That, indeed, may be the way to shorten the war and hasten victory.

* * *

The masses will not have to suffer from these restrictions, writes *Le Soleil, Quebec.* They affect the well to do, but favor workers and consumers. Workers will be provided with more work under equitable conditions and consumers will have a larger choice of several products at moderate prices.

Blandly, Le Soleil notes that the Quebec shoe industry will not be affected, owing to the duties on British made shoes not being abolished.

* * *

Timely restrictions, says *L'Evenement-Journal, Quebec.* Canadians understand their duty when their freedom is at stake, their independence, their rights and privileges, and the very future of their country. Knowing that Canada will be saved only if Great Britain is saved, they are willing to consent to the necessary sacrifices.

* * *

Le Canada, Montreal, says the new restrictions "will not increase the burden of taxation which the Canadian taxpayer is already bearing. They do not weigh more on the budget of the Canadian family. However, they imply certain sacrifices which will be easier to bear because nothing really is taken away which is essential to life of the middle class. Obviously we are expected to drop some habits of comfort, nay of luxury, but such a sacrifice, under present circumstances, is not beyond our strength, nor our patriotism."

The Post Bag . . . . . .

Appeasers

Johannes Steel, American radio commentator, reports some news about Ben Smith, Wall Street speculator not unknown in Canada. Speaking over WMCA, Steel indicated that Smith is now in Vichy as unofficial ambassador of American appeasement, and added "Mr. Smith has long been close to elements opposed to former French Premier Reynaud."

Another famous ex-Wall Street gambler is Joseph P. Kennedy, ex-ambassador to London. Writers Alsop and Kintner, in the New York Herald Tribune, report that Kennedy quit his ambassadorial post to become No. 1 salesman for appeasement.

There are other indications that a group of American speculators are trying to end the war on the basis of a status in quo, which would mean of course a Hitler victory.

* * *

Hunters Come

American hunters have been doing their part to win the war.

Applications for permission to import firearms (preliminary and as yet incomplete) show 5,200 persons wanting to come to Ontario to hunt this season.

Even assuming 20% didn't arrive, the total would be 600 to 700 greater than the number of licenses sold in Ontario last year.

* * *

Canadian Literature

Canada's literary future need give us no concern so long as we have young authors already turning out works of brilliance and imagination.

"Young Voyageur," written by Charles Clay, literary editor of the Winnipeg Free Press, was a novel of exciting historical adventure that found an international audience. Now Mr. Clay has followed up with "Fur Trade Apprentice," a first-class adventure story for young people.

Watson Kirkconnell, McMaster University professor, who gave us a children's classic a year or so ago in "Titus, the Toad," has now written "The Flying Bull and other Stories." We have not read it yet but Kirkconnell's ability has been so well demonstrated that its quality may be taken for granted.

Both books are illustrated by Canadians.

Oxford University Press, Toronto, has both these authors on its string.

* * *

Michael MacDonald

The B.B.C. Newsreel last Thursday night concluded with witty comment by "Michael MacDonald." Referring to the new generation of "Bomb Bores" which the war had created in England he proceeded to tell a few good yarns about his own experiences on the golf course.

At one point the caddy said politely: "Slice a little more than usual today, sir, there's an unexploded bomb to the right of the fairway."

A common sign on most clubs nowadays, he said, reads: "Hazards as a result of enemy action may be disregarded."

And who do you think "Michael MacDonald" really is?

No less a person than Lester P. (Mike) Pearson, capable and brilliant first secretary at Canada House.

* * *

A "Deal"?

"Boss" Hague of Jersey City, who posed as a friend of "Jimmy" Cromwell, in reality contrived the defeat of the former U.S. minister to Canada. So Ronald McEachern writes us after a little scouting around political circles across the line.

Hague, he says, wanted the election split between the Republicans and the Democrats, one getting the governorship, the other the Senate post (for which Cromwell was running). And Hague, who knows how to run elections, got what he went after. The Democrat, Edison, is governor; the Republican, Barber, is senator. Cromwell was left out in the cold.

Hague, say American political wise-acres, is too smart to play with only one set of friends.

TYRRELL'S BOOKSHOP
What a Biography!
ROCKEFELLER
43 Illustrations, 2 Vols., $9.00
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Eliminating the "Second Transfer Cost"

If you should leave your estate to your wife and she in turn should leave it to the children, there would be two transfer costs.

If, however, you leave the property in trust with us as trustee and direct us to pay the income to your wife for her lifetime and to make final distribution of the principal to your children at certain ages, there will be only one transfer cost. The money saved will mean extra security for your children.

It may pay you to investigate this money-saving feature of trust service.

Crown Trust Company

Executors :: Trustees :: Financial Agents
MONTREAL TORONTO

PONTIAC

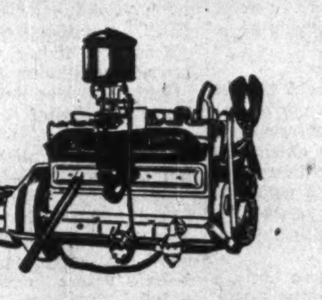
1941 "TORPEDO" FLEET

STYLING . . . that's Set the Town Afire!

Now there's a Pontiac for everybody . . . five great new series of Sixes and Eights . . . prices start with the lowest. Pontiac's "Torpedo" styling is radiantly *new* . . . so practical, too! Because Pontiac's "Torpedo" Bodies are longer, lower, wider . . . for greater roominess, safety and convenience . . . almost unbelievable comfort. Concealed running boards are away from dust, mud, ice and snow . . . add to the car's trim, streamlined appearance.

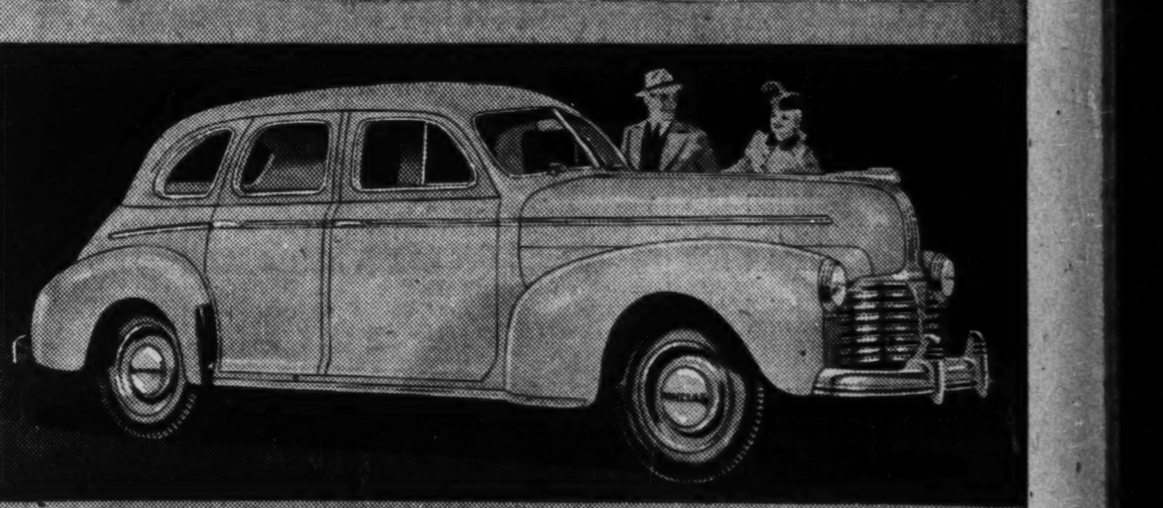
ALL 1941 MODELS HAVE PONTIAC'S FAMOUS L-HEAD ENGINES

Further improved to deliver increased power with record gas and oil economy, these engines are outstanding for quiet, smooth operation . . . flashing "get-away" . . . year-in and year-out dependability.



. . . and KNEE-ACTION

Also standard throughout the line is Knee-Action of most advanced design . . . a feature indispensable for supreme riding and driving comfort.



FLAGSHIP OF THE PONTIAC "TORPEDO" FLEET

The PONTIAC *Fleetleader* "TORPEDO"

PRICED TO MATCH THE LOWEST

The Pontiac Fleetleader "Torpedo" is a brand new automobile in the lowest price field. It's simply packed with features such as 90 h.p. L-Head Engine and Knee-Action . . . a regular *carload* of beauty and value. Lounge in the spacious interiors and you'll fully appreciate the superb "Torpedo" styling that makes such comfort possible. Take the wheel . . . get the feel of that tornado of whispering power . . . *power* that is instantly obedient to the controls: Safety Shift Gear Control . . . All-Silent Syncro-Mesh Transmission . . . Shockless Steering . . . New Cushioned Clutch Action . . . Positive Action Hydraulic Brakes. The Pontiac ride invites driver and passengers to relax with that feeling of complete security over any road . . . at any speed. It's the car you've been waiting for . . . your *best* new-car buy! Why not see us today?

The Pontiac Fleet includes the *Fleetleader* "Torpedo"—*Fleetleader* "Torpedo" Special—De Luxe Six—De Luxe Eight—Streamliner Eight.

P-541

PONTIAC

SHOP FURNITURE that looks — and *is* — EFFICIENT

The economical way to orderly keeping of tools, blueprints, orders, and the gadgets of production . . . Stan-Steel Shop Furniture is designed from the practical man's point of view, based on close study of what is required.

TOOL TENDERS

What Is Your Need?

Your men may need something different from the shop furniture illustrated here. There are many other types available, if you will let us know your needs. For tubular steel ladders, work benches, drum racks, trucks, trolleys, and everything in welded steel tubing . . . write today.

FOREMAN'S DESKS

ANOTHER STAN-STEEL LINE

"STAN" STEEL

STANDARD TUBE COMPANY LIMITED
WOODSTOCK ONTARIO
Manufacturers of Electric Welded Steel Tubing

Investment Trends

Banker Shows Concern Over Postwar Trend

S. H. Logan Sees Competition to Retain Market Obtained During War as Matter For Concern and Preparation

Stock markets have reverted to marking time, which has been so trying to the patience of investors over most of the past year or more. It will probably take some outside influence to start a new or important move in either direction. This might come from the war—most probably from this source—or it might come from other domestic and foreign influences. It might come, for example, from the United States, where the lack of any decisive move has been quite as pronounced as in Canada.

This is a good time for a glance at certain background forces which may in the end have an important bearing on stock price trends. S. H. Logan, president of the Canadian Bank of Commerce, outlined his conception of some of these forces to shareholders recently.

He attaches a lot of importance to commodity prices. He sees signs of "some feverish symptoms" in commodity markets and of a tendency to build up inventories to above-normal levels. Yet, he claims, nothing has happened yet to justify any fears as to supply of most classes of goods or to cause any marked price rise.

He refers to the strong control policies enforced by belligerent governments and maintains that, even in event of a shortage of certain materials, "a general scramble for the available supplies would only aggravate the situation and probably lead to further restrictions upon the production of civilian goods."

* * *

Post-war Trends

Canada will be able to retain a substantial share of trade obtained during the war period only if she does so on a basis of competitive prices, says Mr. Logan. Reconstruction will require immense quantities of materials but much of these will be drawn from stocks already accumulated. Governments may become sellers, instead of buyers.

Furthermore, he says, industrial capacity after the war will probably have been increased far beyond Canada's own needs. Keener industrial competition will probably result.

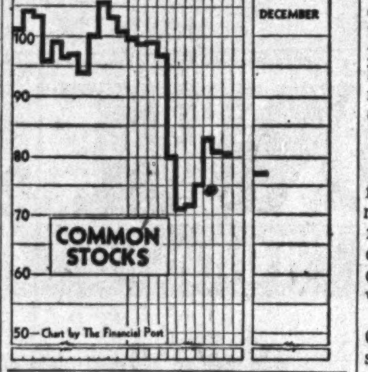
These questions involve the whole economic background of investment. The actual picture will develop in due course, bringing with it serious problems for which preparation is needed well in advance.

* * *

Direction Upward

Next year is going to be the period when stock prices will have a generally rising trend, thinks Col. Leonard P. Ayres, Cleveland. He gives as the main reason that stocks are now abnormally low in relationship to the earnings of corporations. Moreover the yields from stock dividends are high as compared with those available through bond interest.

It seems unlikely, he feels, that there will be a prolonged or enthusiastic scramble for stocks. Investors are wary of the existing high taxes, and anticipate coming taxes will be still higher. New regulations, moreover, have largely banished speculation from the market, as they have from business ventures. Bond prices, he concludes, will probably reach their highest level for this movement some time in 1941 and then turn slowly downward.



War Orders

Although the latest list of war orders, that for the week ended Nov. 29, includes $70 millions for "various armaments" which are not specified, the list of companies receiving orders during the past three weeks is long. Those going to companies in which there is public investment interest follow:

	$
Foodstuffs:	
Burns & Co.	12,722
Canada Packers	27,337
Canadian Canners	12,851
Canada Bread	6,150
Clothing:	
Viceroy Manufacturing	64,980
Dominion Rubber	165,200
Harvey Knitting (York)	137,400
Robert Simpson Co.	14,609
York Knitting Mills	275,800
Paton Manufacturing	111,302
Mercury Mills	647,214
Dominion Woollens	29,835
Penmans Ltd.	470,349
Stanfields Ltd.	341,775
Kitchen and dining equip.:	
General Steel Wares	9,000
Land transport:	
Dunlop Tire & Rubber	6,195
Goodyear Tire	6,000
Ford Motor Co.	258,620
Aircraft:	
National Steel Car	422,950
Fleet Aircraft	18,819
Canadian General Electric	12,107
de Havilland Aircraft	330,685
Noorduyn Aviation	10,248
Canadian Westinghouse	79,280
Canadian Vickers	102,503
Electrical equipment:	
Canadian Marconi	852,343
Can. General Electric	15,501
Canada Wire & Cable	14,760
Gasoline, oil and fuel:	
McColl-Frontenac	62,775
B. A. Oil	74,125
Imperial Oil	273,535
Shipbuilding:	
Halifax Shipyards	64,033
Saint John Dry Dock	8,808
Munitions:	
Canadian Tube & Steel	156,912
National Steel Car	10,572
Capital expenditures:	
Dominion Bridge	138,020
Sutton-Horsley	15,500
Personal equipment:	
General Steel Wares	10,598
Beds and bedding:	
Dominion Textile	7,097
Woods Manufacturing	20,475
Dockyard stores:	
Canadian Dredge	7,300
Lumber and bldg. supplies:	
Consolidated Paper	17,190
Canada Cement	9,351
General Steel Wares	169,650
Gypsum, Lime & Alabastine	13,600
Construction and defense projects:	
Dominion Bridge Co.	38,082
Steel Co. of Canada	12,536

Reach An Agreement Algoma Steel Wages

A long-standing dispute between the Algoma Steel Corporation and its employees has ended in an agreement, according to announcement by J. L. Cohen, K.C., a member of the board of conciliation which has been sitting on the case. The agreement still has to be ratified by the Algoma Steel employees, and until that is done, terms will not be made public.

Pay increases have been granted by the Algoma Steel employees through the Steel Workers Organizing Committee, a C.I.O. affiliate. The company has paid various wage bonuses to its men since the request was first made, but employees sought straight wage increases of 6½ cents an hour.

Response Good To Export Plan

Applications Already in For Tax Credits and Depletion Allowances

From Our Own Correspondent

OTTAWA.—A surprisingly quick response has been received from businessmen to provision of the War Exchange Conservation Act for agreements with individuals, partnerships, or corporations looking to an increase in foreign exchange resources.

Under the proposed agreements, the Government may grant assistance by one of two methods—tax credits or special allowances for depreciation or depletion.

Applications to date are from producers of metals, peat moss, etc. The statute, itself, places no restrictions upon the kind of industry to be assisted. Nor does it declare in what currency the increased exchange is to be realized.

Narrow Range

Actually, the Government has in mind a fairly narrow range of industry in proposing this measure. Generally, it is to apply to extractive and not straight manufacturing production. The Government concedes the special position of production which depends upon wasting resources.

Gold, silver, pulp and so on, are industries which eat up their raw material and upon these the excess profits tax bears heavily. Conceivably such an industry, to aid the war effort, could exhaust its resources and reap no legitimate profit because of special war taxation. An intention to assist marginal gold mines has already been announced.

Methods Undefined

Precisely how tax credits or depreciation allowances will be given will depend on the circumstances of each case. But it is unlikely that the Government will agree to tax credits on present income. The credit will be given on the income being earned at the time the exports are being realized.

Companies interested in the statute should apply to the Minister of Finance and each application will be carefully investigated by Government experts.

No decision has been made as to the rates of the depreciation allowance or the period in which it will apply. New plant is not necessary to qualify.

All that is needed is to demonstrate that export business can be done on a basis not too costly to the Treasury. Although the Act does not say so, agreements will be confined to exports to hard currency countries. This means the United States and countries operating on the United States dollar standard.

Abitibi Probe Urged to Use Broad Rating

Asked to Appraise Shareholders' Interests on Long Term Basis

First witness before the Royal Commission probing affairs of Abitibi Power & Paper Co., when it resumed its hearings on Dec. 9, Arthur D. Cobban, vice-president of Wood, Gundy & Co., contended that the shareholders' position should be appraised in the light of long term rather than depression experience.

Mr. Cobban presented a brief in which he submitted:

1. That the earnings of Abitibi Co. for the last 24 years have been substantially in excess of bond interest requirements.
2. The story of the Canadian newsprint industry over the past 24 years demonstrates inherent soundness of the industry.
3. The present competitive situation as it affects Abitibi and the industry generally justifies confidence in the prosperity of the newsprint business.
4. The value of the Abitibi assets from the point of view of earning power and possibility of replacement is greatly in excess of liabilities.

He presented earnings figures, in all cases before allowing for depreciation, which he maintained showed that "in only five of the above 24 years did earnings fall below present bond interest requirements, and in no year did the business show an operating loss."

Counts on Good Business

He thinks that "one is at least justified in expecting a maintenance, if not a reasonable improvement in current conditions in newsprint." Industry, he feels, can expect a "sound development period" following this war.

Regarding the export position of Canadian newsprint he says that since 1925 Canadian exports overseas have always exceeded U. S. imports of newsprint from Europe. He contends that at no time in the last 24 years has Scandinavian newsprint been a source of embarrassment to Canadian newsprint producers. "The facts are that the natural markets for Scandinavian paper are in Europe and Great Britain just as the natural market for Canadian newsprint is in the United States," he says.

He deplores the "foolish" price policy of the newsprint industry during the 1930's and late 1920's when, "the taking of orders for a comparatively few thousand tons of paper, at cut prices, resulted in smashing the price structure and involving the whole newsprint industry in annual losses aggregating many millions of dollars."

The present competitive position of the newsprint industry, said Mr. Cobban, is more satisfactory than at any time in the last 15 years.

Commodities

While price changes generally have been small, commodity markets have shown a stronger trend recently. Accordingly all four spot indices are higher although Dow-Jones futures index is slightly lower.

Rubber prices have been firm, owing to a belief that consumption will be heavier. Cotton also was firmer. Deterioration in the condition of the growing crop was expected.

In the agricultural group deliveries of cattle and hogs were restricted, owing to bad country roads. Prices accordingly were higher.

	Latest week	Previous week	Same week last yr.
Cattle	$9.25	$8.75	$7.50
Hogs	11.50	10.85	12.00
Copper, lb.	.12	.12	.13
Cotton, lb.	.1038	.1024	.1089
Rubber, lb.	.21	.2087	.1997
Sugar, raw, lb.	.0287	.0285	.0295
Silk, lb.	2.56½	2.57	3.62
Wheat, Man. (bu.)	.74	.73	.81¼
Coffee, lb.	.05¼	.05¼	.05¼
Hides	.13½	.13½	.14½
Weekly Indices			
Canada (D.B.S.)	84.1	84.0	80.2
Do., Wood, Gundy	67.4	67.1	66.9
U. S. Labor	79.7	79.5	78.8
Dow Jones (future)	56.47	56.53	59.59
Fishers'	85.0	84.7	84.9
Monthly Indices			
Canada (D.B.S.):			
Retail (Oct.)*	107.0	106.4	103.5
W'sale (Oct.)	83.3	83.1	79.6
U. S. (Sept.)	78.0	77.4	79.1
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39=100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

BRIGHT SHARES CANCELLED

Another 35 shares of preferred stock of T. G. Bright & Co. have been redeemed and cancelled, it is announced by the Chartered Trust & Executor Co. This leaves 7,454 preferred shares outstanding.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1939-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	153.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Weekly Figures:												
Nov. 7	107.4	16.7	68.1	111.2	81.9	162.7	128.4	126.2	50.7	74.9	38.8	81.7
Nov. 14	109.2	17.1	70.1	109.4	82.8	162.3	134.9	129.7	51.5	76.0	39.9	82.9
Nov. 21	106.6	16.5	69.7	107.0	82.4	163.4	134.3	125.3	50.7	75.9	39.6	81.7
Nov. 28	105.0	15.9	67.8	105.9	81.6	160.3	132.7	123.6	49.9	76.5	38.7	80.5
Dec. 5	101.9	15.4	66.6	99.6	79.9	159.5	129.4	122.3	49.7	76.3	38.4	77.7

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

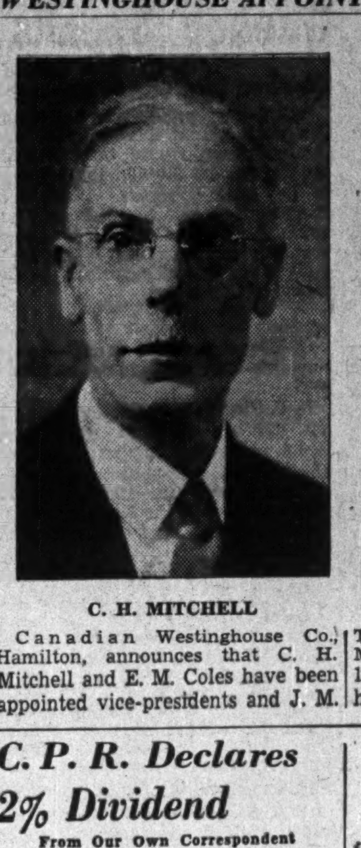
Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 10	101.06	108.15	67.14	21.31
Dec. 9	101.19	106.82	67.13	21.57
Dec. 7	100.77	106.43	66.88	21.77
Dec. 6	100.37	105.89	66.51	21.74
Dec. 5	100.69	105.54	66.48	21.83
Dec. 4	100.97	105.69	67.52	21.79
Month ago	106.37	112.20	73.37	23.03
Year ago	125.18	117.32	87.03	30.76
High 1940	128.84	123.80	88.97	33.31
Low 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

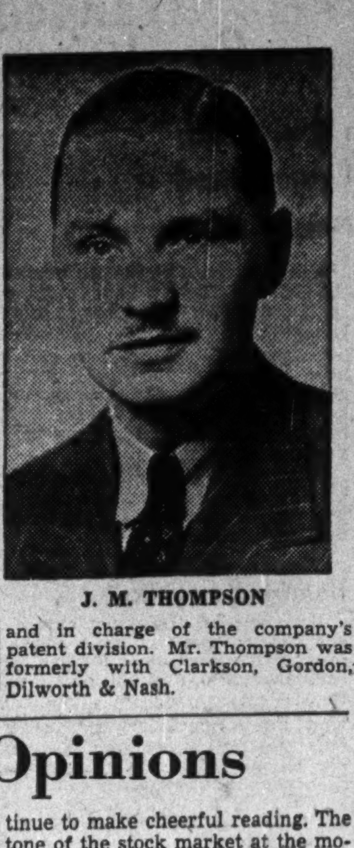
	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Dec. 10	54.7	66.6	62.6	82.65	78.64
Dec. 9	54.7	66.9	62.8	83.92	78.64
Dec. 7	54.9	66.7	62.8	83.52	77.89
Dec. 6	55.3	66.5	62.8	83.33	77.93
Dec. 5	55.2	67.0	63.0	82.79	77.02
Dec. 4	55.3	67.2	63.2	83.45	77.31
Month ago	56.6	72.2	67.0	96.19	81.79
Year ago	67.6	89.3	82.1	141.69	96.71
High 1940	69.2	92.2	84.4	152.63	100.81
Low 1940	50.7	56.0	54.7	66.44	55.16

WESTINGHOUSE APPOINTMENTS



C. H. MITCHELL

E. M. COLES



J. M. THOMPSON

Canadian Westinghouse Co., Hamilton, announces that C. H. Mitchell and E. M. Coles have been appointed vice-presidents and J. M. Thompson assistant comptroller. Mr. Mitchell, with Westinghouse since 1906, is manager of works. Mr. Coles has been assistant to the president and in charge of the company's patent division. Mr. Thompson was formerly with Clarkson, Gordon, Dilworth & Nash.

C. P. R. Declares 2% Dividend

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co. has declared a final 1940 dividend of 2% on its 4% non-cumulative preference stock, payable Feb. 1, to shareholders of record Jan. 1.

This dividend will bring payments for 1940 on the stock to 4%. The other 2% was paid Oct. 1, to shareholders of record Sept. 2. No dividends were paid in respect of 1939 or 1938 earnings. Payments of 2% and 1% were made April 1, 1938 and 1937, applicable to earnings of the prior year.

Simpsons Net Seen Higher

Slight Jump, in Spite of Higher Taxes — $500,-000 on Expansion

A slightly higher net profit than the $1,004,363 reported in year ended Jan. 3, 1940, is anticipated in the current fiscal year by Simpsons, Ltd. —after providing for higher taxes— The Financial Post is advised by officials. Net last year was the highest since the 1930-31 period.

Sales in 1940 have been substantially higher than in 1939 and represent an all-time high, even exceeding the record volume of 1928 and 1929. Sales are stated to be well above the average for department stores in Canada. Dominion Bureau of Statistics figures for all department stores show an increase of 11.3% in the first ten months of 1940, compared with the same period of last year. Previously, C. L. Burton, president, had announced a 17% increase for the company in the first eight months of 1940, compared with the corresponding period of 1939.

Expansion Heavy

The general increase in Canadian payrolls has been an important factor in the improvement, but primary factor probably has been the expansion in mail order business launched during the current year. Retail facilities also have been increased. This programme represents the biggest development of Simpsons facilities since the Montreal store was opened in 1930.

Involved are both retail and mail order units in Regina and Halifax, the mail order in Toronto and the retail store in Montreal.

Cost of the Toronto construction was about $200,000 to $300,000, while an additional $200,000 was spent at Halifax. The rented space at Montreal and Regina involves no new capital expenditures, but heavy expenses have been incurred in modernizing the retail unit in the latter city. It is stated that no plans are in hand for further major expansion.

Major growth in mail order facilities has been due to the expansion to include all types of merchandise. Lines added included farm and dairy equipment, hardware, paints, household lines, infants' goods, sporting goods, car parts, tools and accessories. The expansion involved, also, the addition of 88 pages to the fall and winter catalogue, for a total of 362.

Taxes Heavier

Taxes will be a heavy charge this year. The company earned an average of nearly $1.2 million—before taxes—in the four base years 1936-39, including the period ending with Jan. 3, 1940. About 84½% of all earnings above this figure will go for taxes, including the new "excess" profits impost.

Possibly record sales are looked for during the current Christmas season. Prospects for next year are regarded as promising also, as Canada's wartime production will continue to expand until the peak is achieved — possibly late in 1941. There are some factors to be considered, however, in connection with next year's business.

Foreign Exchange

During the week Dec. 3 to Dec. 9 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 9

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2647

Market Opinions

Indecisive stock action in the past few weeks gives students little on which to form opinions, except background conditions.

Barron's, N.Y. (The Trader)—As the market has receded to around the pre-Labor Day level it has contracted in movement and in activity. The technical implications are therefore favorable. New business orders are still at a record peak, foreshadowing a continued high level of industrial activity. The big uncertainty is still taxation, and the first idea of what stand the Administration may take upon that vital question may be forthcoming in the presidential message to Congress early in January. Barring a budget bombshell a few weeks hence, stock yields appear amply to compensate for all of the familiar hazards.

* * *

Brookmire Counselor, N.Y.—Current business and earnings reports, as well as dividend payments, continue to make cheerful reading. The tone of the stock market at the moment, however, is affected by tax selling and uncertainties from abroad. While the possibility of still further reaction must receive consideration, the long-run outlook argues against disturbing the well-balanced portfolios.

Business Week, N.Y.—Once again sentiment is lagging behind business; once again businessmen hold "suspect" the current high level of industrial activity—and not so much because they think that this is just a transitory advance in business, but rather because they fear that it will not yield profits.

* * *

Financial World, N.Y.—All in all, there appears little basis for the expectation of a vigorous upward movement by the general stock market in the immediate future, and thus the incentive for purchase (or retention) of substantial amounts of speculative issues is largely lacking.

Note Circulation Reaches New High

More Cash Required for Christmas Trade and General Business

Expansion in business is bringing about expansion in the supply of money and credit in the country.

The statement of the Bank of Canada for the week ended Dec. 4 shows an increase of $13 millions in its reserve of sterling and United States exchange and of $6 millions in investments in Dominion Government securities.

This expansion in the credit base was reflected on the liability side by an increase of $4.5 millions in note circulation to a new high of $338 millions and $13.7 millions in deposits with other liabilities almost $3 millions higher.

The larger note circulation is evidently due to greater demand for cash for the Christmas trade and general business. The expansion in deposits which is mainly in deposits of the chartered banks with the Bank of Canada, probably results from sale of securities by the latter institutions.

Balance Sheet

	Dec. 4 1940 $	Nov. 27 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	338,149,761	333,646,905
Rest fund	2,449,757	2,449,757
Depos.: Dominion	77,165,382	77,484,414
Bank	233,895,050	222,783,160
Other	8,669,313	5,736,161
Total deposits	319,729,745	306,003,735
All other liabs.	8,210,126	6,746,614
Total liabs.	673,539,389	653,847,011
Assets		
Reserve:		
In sterl. & U. S.	82,967,015	69,625,657
Subsidiary coin	712,003	628,977
Investments:		
Dom. Gov. short	441,040,847	434,493,405
Other Dom. Gov.	139,308,836	140,364,432
Total invest.	580,349,683	574,857,837
Premises	1,730,354	1,735,395
All other assets	7,780,334	6,999,145
	673,539,389	653,847,011

Investment Notes

S.E.C. report of security transactions and holdings in November showed the following of Canadian interest:

Distillers Corp.-Seagrams—F. R. Schwengel, director, held 1,001 shares in Jan., 1938, after disposing of 100.

Dome Mines—Alex Fasken, officer and director, acquired 200 shares, holding 4,016.

Fanny Farmer.—J. P. Hogan, officer and director, acquired 25 shares, holdings 845.

Robert Gair Co.—G. E. Dyke, officer and director, held 100 common and acquired 200 shares of $3 preferred, holding 1,400. N. F. Greenway, officer and director, acquired 100 common, holding 1,100.

Granby Consolidated Mining—W. C. Bennett, director, acquired 200 common shares, holding 400.

International Paper & Power—H. A. Colgate, director, disposed of 460 common, retaining 500, and acquired 100 5% preferred, holding 300; Mr Colgate disposed of 90 warrants for common, retaining none.

Paramount Pictures. — Stanton Griffis, director, acquired 2,500 common, holding 6,500.

Remington Rand—E. C. Jameson, director, acquired 200 common, holding 56,236; he also held 708 $4.50 preferred and 51,120 common share purchase rates.

Guelph Carpet Refunds Stock

Private Sale of Serial Bonds Completes Financing of Scheme

Guelph Carpet & Worsted Spinning Mills has called its entire issue of 6½% preferred. Payment will be made on Jan. 10 next at 105 plus accrued dividends. The company had 5,000 shares outstanding at Sept. 30, 1940, all that remained out of an original $1 million issue sold in 1929.

Refunding has been arranged privately by the sale of 4% serial bonds, maturing in from 1 to 20 years. The deal was handled by Paul Harris & Co. and Harris, Ramsay & Co., both of Toronto.

Details as to the coupon rate on the new securities have not been made public but it is understood that a substantial saving will result to the company because of the financing.

Can. Converters to Pay January Dividend

From Our Own Correspondent

MONTREAL.—Canadian Converters Co. has declared a dividend of 50 cents on its common stock, payable Jan. 31 to holders of record Jan. 10. The company paid 50 cents Nov. 15 and the same amount on Aug. 15 this year. The latter payment was made after a lapse of two years.

Hiram Walker Year's Sales Up 15.2%

Operations in Scotland Result in Large Profit With War Loss Small

Hiram Walker-Gooderham & Worts Ltd. reports sales of $78.7 millions in the year ended Aug. 31, 1940, a gain of $10.4 millions over the previous year. This made the past year a new record for the company by a wide margin.

Out of each sales dollar the company paid 52.3% in excise taxes and import duties and another 3.5% in income and other taxes.

As a result net profits rose to the equivalent of $7.60 per common share from $6.58 in the preceding year.

Reviewing the year's operations, H. C. Hatch, president, states that the company's distilleries at Walkerville, Toronto and Peoria all produced at approximately the same levels as in the previous year. He refers to a development at Toronto that may soon become important. Services of Gooderham and Worts plants are again being used in defense projects. Introductory shipments have been made and Mr. Hatch states he has reason to believe that they will continue in considerable volume.

The Clark Distillery at Peoria was purchased last year principally for its storage facilities which have added 85,000 barrels.

Scottish Plants Resume

Mr. Hatch reviewed the position of the company's Scottish distilleries during the past year. A year ago, he says, the Dumbarton plant had stopped producing as a result of the commandeering of grain in the United Kingdom. The company's Highland distilleries, Glen-Burgie and Milton-Duff, had sufficient supplies on hand to carry them into the early months of 1940.

Since then representations to the British Ministry of Food resulted in an authorization allowing distilleries to produce in 1940 one third of their output in the 12 months preceding Sept. 1, 1939.

Shipment of matured whiskies from Scotland to the United States and other export markets has proceeded without interruption.

In the United States production continues on a replacement basis. Hiram Walker has been able, says Mr. Hatch, to capture a satisfactory proportion of the increased business created through the war's stimulation to industry. He refers to the increased burdens which war has brought, principally taxation in the three countries in which Hiram Walker operates concluding:

"We cannot expect the level of our earnings to remain unaffected by the revenue obligations we are being called upon to discharge toward the treasuries of these countries in which we carry on manufacturing operations."

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IF YOU DRINK

By WILFRED FUNK

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Experience includes work in many phases of technical, financial, statistical and legal work. Complete investigation into character, ability and aggressiveness is welcomed. Highest recommendation from present employer.

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Introduction by RAYMOND GRAM SWING

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Notice to Holders of Debentures of the

DISTRICT OF BURNABY, B.C.

Notice is hereby given that a Plan for Refunding the Debenture and Other Indebtedness of the District of Burnaby, British Columbia, is being recommended to debenture holders for their approval by the District of Burnaby Debenture Holders Committee.

In order to become effective the Plan requires that holders of at least 51% of the District's debt register approval to its terms. Accordingly the Committee desires to urge all holders of District of Burnaby debentures to communicate with the Secretary to the Committee, F. W. Cline, Tenth Floor, 302 Bay Street, Toronto 2, Ontario, in order to obtain a circular containing a detailed summary of the Plan together with a Form for signifying approval thereto.

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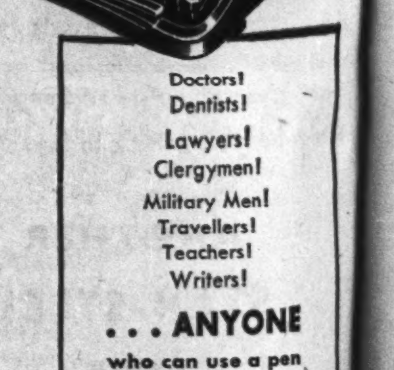

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Bond Markets

Favorable Influences Seen Affecting Prices

High-grade Obligations Firm on Fair Demand — Advancement of War Loan to Next Summer Encourages Buying Now

Buoyed up by postponement of Canada's third war loan until next summer and the relatively small fiscal needs of provincial governments in the near future, bond markets are indulging in a little optimism.

High grade prices have strengthened fractionally since the Dominion announced the probable date of the next war loan. Volume has been fair and demand good. Investors who had expected a flotation earlier than next summer likely have now had to revise their schedules. Instead of husbanding liquid resources for an early war loan, institutional buyers will now use some of these funds for purchase of existing high grade issues.

An important supplementary portion of the Dominion Government's war borrowing policy is the savings certificate campaign. The Government is sharpening this end of its attack, but effects of its revitalized drive are not expected to influence seriously the amount of funds available for investments in bonds.

Provincial Maturities

The coming year will not present any great refunding problems to the provincial governments. Generally the maturing issues are fairly light. British Columbia, with the heaviest schedule, has announced that it will be able to meet maturities without looking to the open market.

According to an official statement from Hon. John Hart, Minister of Finance, the $25.1 millions maturities will be met for the most part from the $20.7 millions of sinking funds specifically established for these maturities. Another $3.2 millions will be payments from current revenue for 1940-41, while the balance of $1.2 million will be met from current revenue, sinking fund earnings, etc., for 1941-42. A saving of $1.2 million annually in debt charges is seen by the end of 1941. Revenues for the 1940-41 fiscal year is estimated at $35 millions and ordinary expenditure at $29 millions, leaving a balance of $6 millions. Of this, $2.8 millions goes to unemployment relief, leaving $3.2 millions for debt redemption.

Province of Alberta will have nearly $6.6 millions of debentures maturing in 1941, but as the province has placed itself in a position where it cannot refund maturities on the open market, these fairly heavy maturities will not in any case be a drain on available investment funds.

* * *

Prairie Problems

The case of Manitoba is not quite so easy of solution. With $5.2 millions of debentures coming due in 1941, the province will unquestionably have to come to some agreement with debenture holders and/or the Dominion.

The Maritime Provinces will be able to take care of a moderate amount of obligations. Ontario has already taken steps to provide for $16.3 millions of the $23.8 millions 1941 maturities, and the province's situation in this connection is favorable. Quebec has only one maturity of $5 millions, but in all probability will have to look for new money in the not distant future.

Saskatchewan has a $2.1 millions issue coming due next year, but already has made arrangements to take care of refunding until 1942. Necessity for curtailing ordinary government expenditure in wartime will hold new money requirements to a minimum.

* * *

Ottawa Sounding Board

On Jan. 14 the provinces will have the opportunity to air their views across the conference table in Ottawa. What will emerge from those discussions is as unpredictable as a dream. But it can be foreseen that the financial predicaments of the provinces will be the centre of any controversy.

The provincial chorus of mixed voices will most probably not be harmonious. The necessities and aims of each are too opposed.

The central provinces, particularly Ontario, do not aspire to the role of fairy godmother. Saskatchewan and Manitoba by grim financial necessity hold the financial recommendations of the resport as an "out" from their present difficulties. The Maritimes will acquiesce.

British Columbia wants some modification of the centralization of financial authority aspect of the recommendations. Alberta, led by Social Credit Premier Aberhart, is opposed to anything sponsored by the Dominion Government. Mr. Aberhart regards centralization of financial control as usurpation of provincial privileges.

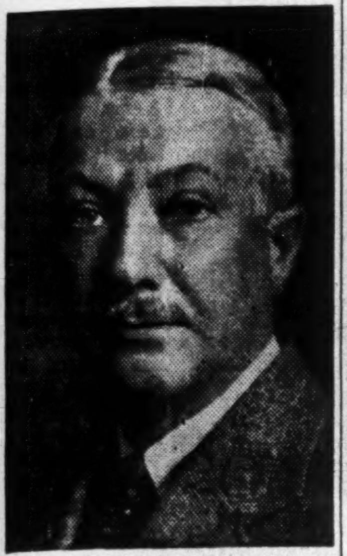
* * *

Bond Index

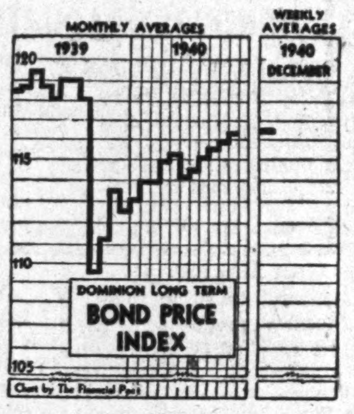
The D. B. S. index of long-term Dominion of Canada bonds at 116.5 for the week ended Dec. 5 was up 0.1 point from the previous week. It was 3.8 points higher than in the same week of last year, and up 0.5 points from the corresponding week of last month.

DOMINION OF CANADA
Long-term Bond Index

	Weekly Average Nov. 29-Dec. 5	Preceding Week Nov. 22-28	Weekly Average Year Ago
Price	116.6	116.5	112.8
Yield	70.2	70.3	74.8



ROBERT RAE
General Manager of The Dominion Bank, who, in his address to the shareholders, reviewed the Bank's statement at the Annual Meeting on December 11th.



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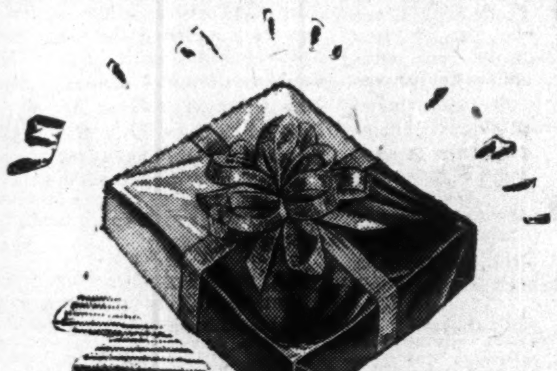

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Plan Arranged For Burnaby

Debenture Holders' Committee Proposes Cut in Rate of Interest

A plan of reorganization for Burnaby, B.C., has been arranged by a committee of debenture holders, of which F. W. Cline is secretary. It involves $2.9 millions of debentures as well as bank and Provincial Government loans. Terms for debenture holders are summarized as follows:

1. Arrears of interest to Jan. 2, 1941, to be cancelled.

2. Present debentures, bearing interest from 4½% to 6% to be exchanged for new ones, maturing in 25-years and bearing interst of 2½% for the first five years; 3½% for the next 10 years and 4% for the remaining 10 years.

The new debentures would be callable in the order of the maturities of the old certificates. For the purpose of paying interest and providing for principal retirement, the district would raise $90,000 annually for the first five years; $125,000 annually for the next 10 years and $150,000 annually for the last 10 years.

Payments on Other Debts

About $200,000 from the sinking fund would be turned over to a board of debt retirement trustees to be used to purchase or call new debentures for cancellation. The fund now totals about $250,000, but $20,000 would go for payment on a bank loan and $29,543 for payment on indebtedness to the province of B. C.

Balance of the $170,000 bank loan would be retired by annual installments of $10,000, with 4½% interest. Balance of the $189,543 B. C. treasury notes would be retired by annual installments of $10,000, with 3½% interest. Burnaby would levy a special rate in each year to service the bank loan and treasury note installments.

Approval of debenture holders to the plan is now being sought. Total of 51% is required before it can be presented to the Provincial Government for final approval.

Bond Sales

Shawinigan Falls, P.Q.

The City of Shawinigan Falls, P.Q., has sold a $109,000 issue of 4% serial debentures to McLeod, Young, Weir & Co. The issue is dated Nov. 1 and matures in 1946-55. List of tenders follows:

McLeod, Young, Weir & Co.	100.77
A. E. Ames & Co.; Dominion Securities Corp.	99.76
Cochran, Murray & Co.; Dyment, Anderson & Co.	99.062
Bell, Gouinlock & Co.	98.80
Wood, Gundy & Co.	98.53
Banque Canadienne Nationale; L. G. Beaubien & Co.; Mills, Spence & Co.; Savard, Hodgson Inc.	98.31

* * *

Hamilton, Ont.

Hamilton, Ont., has sold $338,897 serial debentures, dated Jan. 2 and maturing 1942-51, at a cost basis of 2.82%. The issue includes $31,500 of 2½% debentures, maturing in 1942-46, proceeds for floating indebtedness; $149,500 of 3% debentures, maturing in 1947-51, proceeds for storm sewers; and $157,891 of 3% debentures, maturing in 1947-51, proceeds for waterworks extensions.

List of tenders follows:

Harris, Ramsay & Co.; Burns Bros. & Denton Co.	100.77
Bank of Toronto	100.50979
R. A. Daly & Co.; Fry & Co.; Gairdner & Co.; Griffis, Norsworthy & Co.; McTaggart, Hannaford, Birks & Gordon	100.393
Dominion Securities Corp.; Royal Bank; Bank of Nova Scotia; Wood, Gundy & Co.; A. E. Ames & Co.	100.09
Royal Securities Corp.; Imperial Bank; Dominion Bank; Harrison & Co.; Cochran, Murray & Co.; Dyment, Anderson & Co.	100.037
Bank of Montreal; McLeod, Young, Weir & Co.; Bell, Gouinlock & Co.; Mills, Spence & Co.	100.03

Sirois Plan Hits Saint John

Net Revenue Loss of $320,000 Seen if Report Adopted

The attention has been drawn of the city council of Saint John, N.B., to the possibility of the city losing substantial revenue if recommendations of the Sirois Commission are adopted.

L. F. Sewell, chairman of the board of assessors, estimates a loss in revenue of $510,955, based on 1940 assessment. This would result, it is pointed out, if the report was adopted and the city surrendered to the Dominion Government the right to tax income. It also is pointed out that this would be partially offset by the assumption by Ottawa of full responsibility for municipal relief works and relief for unemployed employables, although figures are not given.

According to the city's financial statement for 1939, revenue from "income and personal taxes" totalled $475,055. Cost to the city of unemployment relief was $77,807, while expense of relief work projects totalled $76,505—all of which suggest a net loss in revenue to the city of about $320,743.

Suits Started to Recover On Windsor Apartments

London & Western Trusts Co., Windsor, has instituted action against Louis and Rae Kaplan to recover from them personally payment of the $25,000 mortgage debt secured by the Killarney Apartments and the $22,292 standing against the Inverness Apartments. Both apartments are in Windsor.

This is an attempt to secure payment in addition to what might be realized on liquidation of the mortgaged property. The trust company states it is too early yet to know how successful these new proceedings will be in recovering the money owing on the bonds secured by the mortgage.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	6%	1942	Dec. 31	105
Drilling Cont	5½%	1943	Jan. 15	100
Eastern Car ...	†6%	1952	Jan. 1	105
Mississippi R. Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104
United Steel	6%	1954	Jan. 1	102¼
Viau	6½%	1946	Jan. 1	101⅛
Nat. Pole & Treat.	6%	1941	Dec. 20	‡
Stand. Lime	6%	1944	Feb. 1	102

†Drawn by lot $44,000.
‡By tender $50,185.
*For sinking fund.

Stock Issues:	Rate		Due	Price
Stand. Steel		Pref.	Jan. 2	†50
Guelph Carpet..	6½%	Pref.	Jan. 10	†105

†Plus accrued dividend.

Jamaica Utility Pays Off Notes

Had Borrowed $311,000 as Hedge Against Exchange Fluctuations

From Our Own Correspondent

MONTREAL. — Jamaica Public Service Co. has paid off the balance of notes payable, amounting to $82,733. Over a year ago the company borrowed about $311,000 as a hedge against exchange fluctuations. The amount has been steadily reduced from time to time and was finally liquidated during October.

Consolidated operating revenues in October showed a further increase, amounting to $88,852, a gain of $4,531 over the same month a year ago. After providing for all senior charges, net income totalled $16,346, or slightly more than a year ago.

Bond Tenders

Dec. 16, County of Halton, Ont.—$5,000. 3½% 5 year, dated Dec. 20, 1940.

Dec. 12, Canada Treasury Bills—$40,000,000, dated Dec. 13, 1940, payable Mar. 14, 1941.

4 p.m., Dec. 18, Owen Sound—$48,206, 4% debentures as follows: $3,963, 15-ins. due Jan. 2, 1942-56; $10,525, 10-ins. due Jan. 2, 1942-51; $33,718, 5-ins. due Jan. 2, 1942-46. J. A. Milne, treas.

4 p.m., Dec. 13, Barrie, Ont. — $48,000, 3½%, 15-ins. for sewers and sewage disposal plant.

OIL ROYALTIES

As offered the Ontario Public, are, in fact, Working Interests in designated wells. Obviously, then, the Investor will be wise to consider carefully:

1—Location and other geological features of the well.

2—Standing and record of the organization with whom he is investing.

CLIFTON C. CROSS & COMPANY has a background of more than 20 years' service to the investing public. Sponsor of Ten wells in Turner Valley, it has brought all Ten into Commercial production!

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C. I. L. HAMILTON EXTENSION

From Our Own Correspondent

MONTREAL. — Canadian Industriess Limited has awarded a contract to the Piggot Construction Co. for extension to its laboratory and engineering office in Hamilton. Cost will be approximately $15,000.

Must Canada Be Bombed

(Like Coventry, Birmingham, Bristol)

Before We Face Realities

Our cities could be bombed and might be bombed, unless we use all our strength, and marshal all our resources in men, material and money for defence.

What a magnificent example of sacrifice and service the people of Britain's cruelly racked cities set for us!

We Canadians must measure up to their standards of heroism.

You ask: "What then can I do as a civilian to share in our defence?"

The answer is: "All of us at least can save to the limit of our ability, and lend our savings to Canada to help carry on the fight against the Nazi menace".

IF YOU ARE AN EMPLOYER, start saving and give leadership. Urge your employees to save. If you have not already done so, organize for them a War Savings Payroll Deduction Plan—the most convenient method for saving and lending to Canada. Get 100% of your organization to participate; EVERYONE must share in it to assure the $10,000,000 a month needed.

IF YOU ARE AN EMPLOYEE, start saving. Give whole-hearted co-operation to your employer in organizing a Payroll Deduction Plan. Use all your influence to persuade fellow employees to save and invest in War Savings Certificates. And keep on saving and investing until Victory is won.

Just as the war is being fought day by day, so must the cost be met day by day. That is why the flow of saving and investing in War Savings Certificates must be continuous.

No one need go without actual necessities to save, but we urge you not to buy things which compete for labour and material with war production.

WAR SAVINGS COMMITTEE

Full particulars regarding all War Savings Plans can be secured from W. H. Somerville and de Gaspé Beaubien, Joint National Chairmen, Ottawa.

WAR SAVINGS CERTIFICATES

$5 for $4 $10 for $8 $25 for $20 $50 for $40 $100 for $80

Provide a safe investment—a direct obligation of the Dominion of Canada.

May be redeemed at option of registered owner, after six months from date of issue at an established scale of values.

Provide a good return — your investment increases by 25% by maturity.

EARNINGS PER WEEK	SAVINGS PER WEEK	MATURITY VALUES OF ANNUAL PURCHASES
up to $20	25¢ to $1.00	$15 to $65
over $20 to $30	$1.25 to $2.00	$80 to $130
over $30 to $40	$2.25 to $3.50	$145 to $225
over $40	$3.75 to $9.25	$245 to $600*

*limit for 1941

The above table shows the returns on an average basis of saving. These figures are only illustrative because the amount of saving possible varies with each individual's family and other economic circumstances.

War Savings Certificates make splendid Christmas gifts.

Ask your local bank or Post Office for information on Christmas giving.

The Editorial Page . .

Rebuild Them in Canada

Just how much damage is being done to British factories, more particularly those making war supplies, is an official secret. It must be very great. Loss of production must accrue from three sources: lost hours due to air raids; dislocation of rail and road traffic; and the destruction of factories and machinery.

We may be confident that the R.A.F. is doing equal, if not much greater, damage to Germany's own industrial machine. An American newspaperman just back from Europe, puts the loss in production in England at 20 per cent., in Germany at 30 per cent. That provides some comfort. But the fact that the bombers travel a two-way street merely adds weight to the importance of overseas industrial production. Britain has access to Canadian and American factories; Germany has not.

* * *

Britain's leaders have recently been setting a commendable example of facing the facts about bomb damage. Let us ourselves face up to this fact that industry in both Britain and Germany is, factory by factory, being destroyed. Both countries are far from complete obliteration of plant but the process is going on.

It would be most short-sighted and foolish to rebuild in England the factories that are being pulverized by Nazi bombs. Unless and until Britain obtains absolute command of the air,—and she has not got it yet—the factories can be blown to bits as fast as they can be rebuilt.

Britain's war factories should be rebuilt in Canada. Last Spring and Summer, The Financial Post quoted the opinions of many competent industrialists and engineers that the wartime migration of industry from Britain to Canada was entirely feasible. In the case of operating plants where machinery and workmen were moved en bloc, there would be a delay of some months in getting into production in new plant. But in the case of plants that have already been put out of commission it need not take one day longer to re-establish in Canada than to re-establish in England.

There is, it is true, a shortage of skilled mechanics in this country. But the mechanics who have been operating the plants in England should be sent to operate them here.

* * *

Britain is paying out the accumulated investments of centuries to buy American airplanes, engines, machinery and tanks and other war equipment. How much better it would be for her great industries to establish branch plants in Canada now, in association with Canadian enterprise and management, and to send us her men and machinery to make her war equipment (and ours) under our bomb-free skies.

Who can doubt that this would be a stronger Empire, in post-war years, if there were such a liaison between British and Canadian industry? England has 20 millions too many people. We have 20 millions too few. British factories are too exposed to aerial attack. Our factory locations are much better protected in that respect.

Let us offer to Britain immediate haven for her great industries, opportunity for her plant managers, a new homeland for her workers and safety for their wives and children.

Through such moves we can at one stroke help win the war and lay the foundations of a better Empire.

Securities Commission Has to be Pushed

The need for a decisive, thorough clean-up of unsavory share-pushing operations, centred in Toronto and directed chiefly at U.S. investors, still confronts the Ontario Securities Commission. It is not enough to clamp down once in a while on a few glaring examples of high pressure selling through telephone "boiler rooms."

The Commission is apparently ready to act only after the most flagrant instances have been forcibly brought to its attention by protesting victims or outside agencies. Even then, experience shows, punitive steps are considerably delayed by "investigation and study." If Canadian and U. S. investors are to be protected from these unscrupulous outriders of securities selling, if the good name of legitimate firms is to be kept unsullied by damaging publicity, the barn door must be slammed tightly shut before the horse is stolen.

The Commission has announced cancellation of the brokerage registration of F. H. Marples & Co. of Toronto and "suspension" of the registrations of salesmen who had been selling Payco Gold Mines stock for the Marples firm. The Commission's own statement shows that this was not done until after "several complaints" of misrepresentation had been received from U. S. citizens; until after the widely circulated magazine Time had reported in detail the off-side selling methods of the Marples firm.

The Commission does not mention that a previous complaint to it in August resulted in restitution to a Detroit investor by the Marples outfit, or that the firm was publicly cited in July as selling stock illegally in the U.S. These facts were brought out by The Post's recent exposé of the background and circumstances surrounding the case reported in Time.

In its bulletin on the Marples case, the Commission states its policy is to take "effective steps" where evidence of fraudulent selling is presented to the Commission. The known facts show plainly that effective steps against the Marples firm were not taken for some months after its methods were brought to official attention. More important, they point up the need for the Commission to take a vigorous initiative in purging Ontario of all such operators without waiting until their operations have inspired adverse blasts of publicity in the U.S.

The Commission would not have to look far to find other salesmen and brokers whose licenses might well be cancelled, or who, indeed, should never have been licensed in the first place. The Marples case is merely one instance of many that show the need for a comprehensive move to ensure that stock selling methods and personnel are kept entirely reputable.

Our Platform For Canada

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy, in so far as consistent with an all-out war effort.

5. Elimination of public and private waste.

6. A national programme for post-war employment and relief problems, along lines of Sirois report.

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice which in turn will reduce the need for regimentation and compulsion.

Business Co-operation

Speaking in Toronto recently, a top-ranking civil servant paid tribute to the co-operation of Canadian businessmen in the war effort.

Specifically, he made these points:

Businessmen give freely of their time and money to come to Ottawa to discuss war problems. They are agreeable, willing and eager to co-operate.

They fill out an infinite number and variety of questionnaires, forms, etc., with little or no complaint.

They are eager and zealous to have their business operations parallel the national interest.

Industry's contribution to the war effort has been aided by the effectiveness of machinery set up at Ottawa since war's outbreak. But Canadian business—big and little—has made that machinery work efficiently by magnificent loyalty and co-operation.

Editorials in Brief

Civil Service Commission is advertising for bookbinders, bindery men, compositors, linotype operators, pressmen and so forth to fill jobs in the Department of Public Printing and Stationery, Ottawa.

One of the jobs Ottawa is doing well and which is probably not unconnected with its need for skilled printing craftsmen, is the publication of countless forms which businessmen and individuals are being requested to fill out and in ad nauseam.

Our bureaucrats are stubbornly determined that at least we won't lose the war for lack of questionnaires—that is if it can inveigle enough printers and pressmen to take jobs in the capital.

* * *

Canadians who are being allowed to travel in the U. S. this year should feel a very real personal responsibility to preach the gospel of Canadian tourism wherever they travel or visit.

Each one should appoint him or herself a Personal Ambassador of Goodwill.

This responsibility is the greater because the enforced need for curtailing travel funds has unfortunately curtailed very largely the flow of winter visitors from Canada to the U. S.

* * *

We make a great mistake, says S. N. Wynn, editor and manager of the Yorkton Enterprise, in not making more use of the experience and trained skill of officers and men of the C. E. F.

The best service that many of these men could perform would be as "Officers and drill sergeants" in Canada's new army, rather than as members of the Veterans Civil Security Corps.

* * *

Striking evidence of the lack of full co-operation in the war effort is found by contrasting a speech delivered November 2 by H. R. MacMillan, chairman of the new Wartime Requirements Board, with an official statement issued by Munitions and Supply on December 3.

Mr. MacMillan in his speech stressed the need—the imperative need—of substituting other materials for steel wherever possible. There is a shortage of steel. Yet specifications are still being sent in calling for the use of steel. Mr. MacMillan named one instance—public buildings at Calgary. He deplored the profligate and extravagant use of steel under present war conditions, particularly in view of the foreign exchange required to provide it.

On December 3 the Munitions and Supply department issued a list of new contracts awarded. One item on this list reads:—

Currie Barracks, Calgary, $101,000, steel construction.

* * *

American observers say that the real war potential of that country is being tapped by not more than 20 per cent. The huge U.S. defense programme is still a "peacetime" programme

But it is not for us in Canada to criticize the American effort until we are going over the top on our own home front.

H. R. MacMillan, rapidly attaining leadership as the pre-eminent business executive working for victory at Ottawa, measured Canada's war effort by the yardstick of Britain's effort, in an address in Toronto. If we were matching Britain's contribution on a per capita basis we should have 500.000 - 600,000 men under arms; 1,400,000 workmen in munitions factories and we should be spending $12 millions a day on the war.

"Canada," said Mr. MacMillan, "is still coasting. We have not yet accepted this as a war to the death."

* * *

The Toronto Star Weekly, issue of November 30, made one phase of Canada's war effort appear in a deceiving light. Quoting from a speech in the Senate by Hon. A. K. Hugessen, the Star Weekly said: "Production of pig iron, for example, rose from 11,000 tons in September of 1939 to 66,000 tons in September of 1940."

This might seem like a very important increase in percentage, although not very impressive from the standpoint of tonnage. What Senator Hugessen actually said was that production of pig iron was 66,000 tons in Sept., 1939, and rose to 111,000 tons in Sept., 1940. The October figures issued by the Dominion Bureau of Statistics report pig iron production at 66,000 tons in September last year and 105,000 tons in September this year. The figures are sufficiently impressive without distortion.

* * *

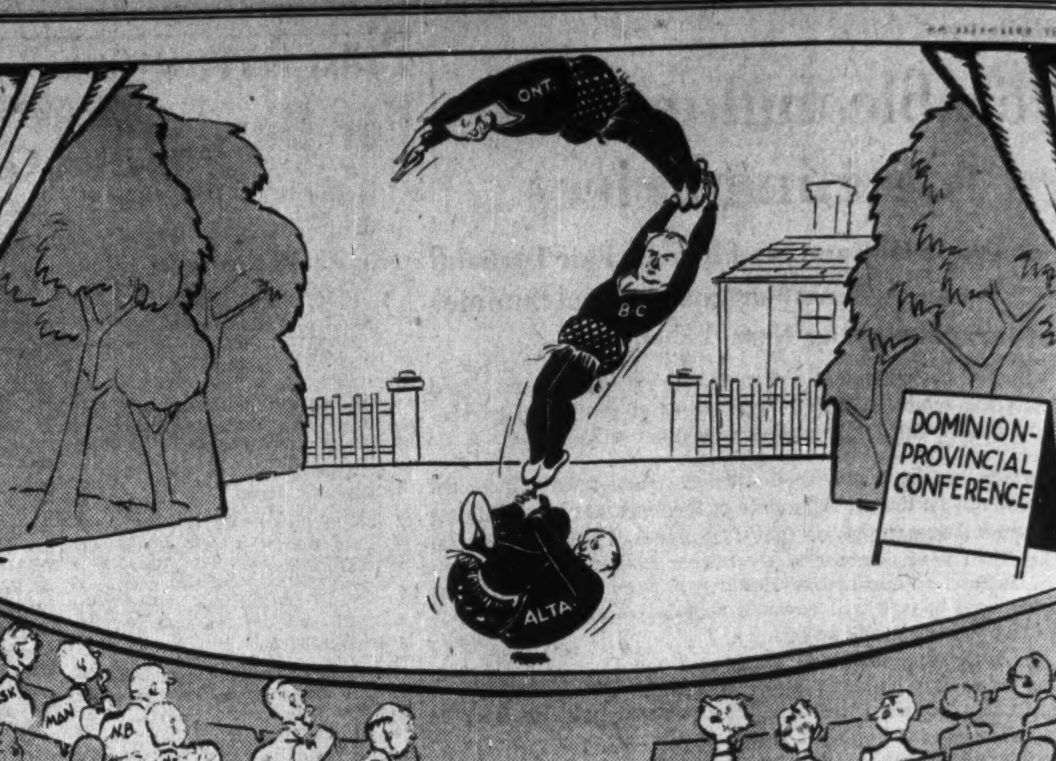
Recently Ottawa and Ontario and Quebec got together to relieve an important income tax anomaly where unjust double taxation was involved.

Apparently it took only brief discussions between Chester S. Walters, Ontario's deputy provincial treasurer, C. Fraser Elliott, K.C., Dominion income tax commissioner, and Hon. J. Arthur Mathewson, K.C., provincial treasurer of Quebec, to get results.

By such informal but direct methods red tape and unjust taxation can be quickly corrected.

If it can be done with the income tax, why can it not be done between the provinces—particularly Quebec and Ontario—in respect to succession duties?

At the present time each province tries to grab all it can, regardless of the justice to the estate or the heirs. No one should ever have to pay double death duties on the same estate.



PRESENTING: THE GREAT QUESTION-MARK ACT.

—Cartoon by Grassick.

Post-Scripts . . . .

Professor Kirkconnell

If you are looking for an unusual and distinctive Christmas gift we commend the latest work of that brilliant and surprising person, Professor Watson Kirkconnell. It is called "The Flying Bull and Other Tales", lively verse which narrates the "tales" of a small company marooned by a blizzard in a mid-west Canadian town.

PROF. KIRKCONNELL

The author of this Canadian "Canterbury Tales" has now written more than 50,000 lines of verse — unusual verse. As might be expected by those who know him, much of it is in the form of translations from many languages, for Professor Kirkconnell has travelled extensively in more than two-score countries of Europe. He is one of Canada's acknowledged linguists and the top-ranking authority on this country's "New Canadians."

When Professor Kirkconnell addressed the Canadian Club at Toronto recently on "European Elements in Canadian Life" the response was so widespread that the Club immediately reprinted the address for distribution among its membership and elsewhere.

* * *

Watson Kirkconnell was born a fourth generation Scottish-Canadian in Port Hope, Ontario. His father was the headmaster of Port Hope High School and later of Lindsay High School.

Watson received his M.A. at Queen's in 1916, where he ranked first for no less than 16 awards in languages, history, classics and mathematics. He was also awarded the first I.O.D.E. Overseas Scholarship to be granted in Ontario (1921).

He has a Ph.D. (honoris causa) from Debreczen, Hungary, is a Fellow of the Royal Society of Canada and a Fellow of the Royal Historical Society of London. He has received honors or decorations in many countries, including France, Iceland, Hungary, Poland.

He started to teach in Orillia Collegiate Institute at the age of 18 as an "emergency" teacher. He also filled in at Lindsay while still attending lectures at Queen's University. He attained the rank of captain in the C.E.F. in 1916 and for two years was paymaster and accountant at the Kapuskasing Internment Camp. After the war he was transport officer in charge of repatriation and in command of the S.S. Pretorian plying from Quebec to Rotterdam.

Winning the I.O.D.E. scholarship in 1921 he continued his studies at Oxford University. In 1922 he came to western Canada as lecturer in English at Wesley (now United College) at Winnipeg. He advanced to a full professorship and subsequently became Professor of Latin and head of the Classics Department. Recently he has moved to Hamilton as Professor of English in McMaster University.

* * *

Professor Kirkconnell has written 20 or more books of his own, has contributed to ten other books and several hundred articles to periodicals, etc. One of his books, "European Elegies," is a collection of one hundred elegiac poems chosen and translated from European literatures in no less than 50 languages.

His North American Book of Icelandic Verse is the largest extant anthology of Icelandic poetry in English translation. Similarly his anthology of Hungarian verse is the largest extant anthology in English. One of his Polish works covers the whole range of Polish lyric poetry from the 16th to the 20th centuries.

"The Flying Bull" is illustrated by another talented Canadian, Jack W. McLaren. It is published by the Oxford University Press. Price $1.50.

* * *

Gun Maker

One of the most important units of Canadian armament production is Sorel Industries Ltd. Originally started by the French armament manufacturers, Schneider-Creusot, the plant was taken over by the Dominion Government when France collapsed.

WM. BARNACAL

To direct the operation of the plant the Dominion Government commandeered the services of William Barnacal. From Sept. 1, the day that war broke out, this quiet Englishman had been chief production engineer of the Department of Munitions and Supplies. Marshalling of Canada's industrial resources for war production has been his daily job for 15 months.

William Barnacal has the reputation of being a "doer." A colleague describes him as "energetic and resourceful." In a not-very-talkative profession, he has earned the reputation of taciturnity.

Armed with a degree in engineering and an apprenticeship in the world-renowned Cammell-Laird works, William Barnacal migrated to St. John's, Newfoundland, in 1908, where he worked with a shipbuilding company.

In 1910 he started a westward trek. In Sydney, N.S., he was employed by the Dominion Iron & Steel Co., predecessor of Dominion Steel and Coal.

Two years later he joined the engineering staff of Robb Engineering Co., Amherst, N.S. In 1913 he moved to Dundas, Ont., where he made machine tools for the John Bertram Co.

In 1914, like a loyal Englishman, he joined the 11th Battery at Hamilton as a gunner. He went to France with the First Canadian Division. In England he was transferred to the Imperial Artillery, 110th Battery. Back to the Canadian Artillery again Gunner Barnacal was commissioned in 1915. From then to the end of the war, he moved between army intelligence and artillery. In March, 1918, he was taken out of action by a bullet and gas.

After demobilization he returned to Canada. This time he went west. Until 1924 he was a mechanical engineer with West Canadian Collieries, at Blairmore, Alta. In 1925 he went to Manitoba Bridge, Winnipeg. When this company became a subsidiary of Dominion Bridge in 1930, he was appointed chief engineer of the mining division of the latter company.

William Barnacal is a hard worker. His new assignment offers no opportunity for indulging in his favorite sport of boating.

20 Years of Progress

When the Equitable Life Insurance Co. of Canada celebrated its twentieth anniversary at Waterloo recently it was fitting that M. J. Smith should preside as president and general manager. He has been with the company ever since it started in 1920.

M. J. SMITH

As assistant secretary of the Ontario Equitable Life, as the company was then known, he made the first entries in the ledgers. He has helped it day by day until it now ranks as a well - established, important, Canadian enterprise.

In his remarks at the anniversary dinner Mr. Smith stated that assets were now well over $12.5 millions and insurance in force more than $41 millions.

Mr. Smith has been in the insurance business all his life. He started first in the actuarial department of the Mutual Life of Canada at Waterloo. Later he joined the head office staff of the Canada Life. But when the Ontario Equitable was organized he returned to Waterloo. In 1922 he was made secretary. In 1931 when the company was reorganized and the name changed as it is now, he became general manager. Last January he was named president. As such he followed in the footsteps of two outstanding Canadians, Hon. J. L. Ralston, Minister of Finance, at Ottawa; and Hon. C. A. Dunning, a previous Finance Minister.

At the anniversary banquet, R. Leighton Foster, general counsel of the Canadian Life Insurance Officers Association, congratulated Mr. Smith and the company on the progress that had been made.

So closely is Mr. Smith's name connected with that of the company that congratulations for the one are regarded as inseparable from congratulations for the other.

* * *

Ruby Grierson

In our Post-bag column a few weeks ago we mentioned the tragic death of Ruby Grierson, sister of John Grierson, Canada's National Film Commissioner. Miss Grierson lost her life aboard the City of Benares while making a documentary film on Canada's war "guests."

The Manchester Guardian paid the following tribute to Miss Grierson and to the genius of the Grierson family for film production:

"Ruby Grierson is not among the survivors of the City of Benares, on which she sailed to accompany the children to Canada. She sailed with camera, films, and all. 'I'll be back in six weeks,' she said when I saw her a day before she left, and she talked jokingly of the U-boats.

"A few years ago she joined in London the gifted group of film producers, comprising her brother, John Grierson, Rotha, Elton, Basil Wright, John Taylor and others, who created the great British documentary film. She was passionately eager about film work, and had a sensitive approach to ordinary people which made the films on which she worked the fine human documents that they are. She understood poor people and their troubles. She worked with Elton on 'Housing Problems,' on 'Today We Live'—a documentary on the South Wales depressed areas—and produced under her own name 'Cargo for Ardrossan.'

She radiated vitality, kindness and good humor, and it is hard to think of her as dead."

The Financial Post

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Other People's Views . . . .

The Canadian Editorial of the Week

This week, in place of one editorial, we publish extracts from four timely comments on a single theme.

Need for Thrift

The Brockville Recorder and Times

It is as incumbent upon municipal administrations as it is upon ordinary individuals to practise the virtue of thrift at this particular time so that all possible financial support may be lent the federal exchequer in its all-important task of financing the war.

The higher the rate of municipal taxation, the less able will be those who bear it to make their contribution toward national taxation. We might even be willing to forego some of the frills commonly associated with municipal administration to the end that the national treasury shall be adequately supported and certainly, with unemployment relief expenditures brought down as they have been, the municipal taxpayer is himself entitled to a measure of relief.

* * *

The Provinces Must Retrench

Montreal Star

Federal taxation has increased tremendously, and next year, when the higher income tax comes to be paid, a great many residents are going to find it difficult to satisfy both provincial and federal demands. Naturally, the federal taxes, which are required to prosecute the war, must be a first charge against our incomes. It remains, then, for the provinces to retrench, collect just sufficient money to maintain essential services, and make it possible for the Dominion to collect the major share of the taxpayers' available surplus.

In some provinces this retrenchment is being carried out, but in others, whether because of debt legacies left by previous administrations, or due to an unwillingness to co-operate, tax schedules are higher than ever. Some of the difficulties brought about by this situation will be cleared up in due course if the Sirois report is implemented next spring, as Ottawa and the majority of the people of Canada hope it will be. But until then Ottawa must find a great deal of money for war purposes, and its potential sources must not be decreased by higher provincial taxation.

* * *

Watch All Expenses

Winnipeg Free Press

The Winnipeg Board of Trade and the Manitoba branch of the Canadian Manufacturers' Association both strongly urge that the province and the municipalities keep their expenditure and taxation as low as possible because of the great need of the Dominion Government for financial support in carrying on the war. It will be pretty generally agreed that this course is reasonable and necessary. The provincial and municipal services should not be sacrificed, but there should be clear justification for any increases in expenditure, and economies should be effected, and taxation reduced, wherever possible.

The greater claims of the Dominion must be recognized, and the financial field left to it as far as that can reasonably be done. All who wish to see Canada make her maximum war effort will admit the importance of this.

We are not near the end of the war, and it will involve heavier financial burdens. The financial strength of the nation must be conserved for that supreme purpose. Hence the need for careful supervision and restriction of all other public expenditure.

* * *

Extravagant Provinces

Calgary Herald

The Canadian people, like the courageous British people, must be prepared to make heavy financial sacrifices in the near future. Some of them do not yet appear to realize that a war is in progress, but they will soon. Among this class are some of the provincial administrations. They have not cut down their expenditures a single penny. They count on the industrial activity and the larger payrolls created by the war to ensure a continuance of their present rate of lavish spending. They will soon have forcibly brought home to them the fact that what they spend in the way of public revenue will not be available for the Dominion Government and the war.

* * *

Sayings of the Week

"There is no tariff on brains, but there should be a tariff on trash."—*Hon. R. B. Hanson.*

* * *

"We shall completely err if, for a moment, we fail to recognize how appalling is the danger which threatens not only Great Britain but civilization, and be tempted thereby to relax any and every effort to put forth the utmost of our strength."—*Prime Minister King.*

* * *

"When we entered this war we willed the end—Victory. We must now be tough enough to will the means to achieve that end. We have not yet done that in Canada."—*Harvey R. MacMillan, Chairman, Wartime Requirements Board.*

* * *

"Over our own island we have the mastery of the air." — *Prime Minister Churchill.*

* * *

"A person could almost wish for a test so that one could learn whether one could be as brave as the British."—*Eleanor Roosevelt.*

* * *

"There has now grown up, certainly in the United States and to no inconsiderable extent in other lands as well, a curious antipathy to work." — *Nicholas Murray Butler.*

* * *

"We have sent and shall send men and ships and guns and planes over the seas . . . as long as there is a single Canadian dollar left to be spent . . . or a solitary Canadian citizen left to take his stand in defence of freedom."—*Hon. Angus MacDonald.*

The Mail-box

Would Cut Civil Salaries

Editor, The Financial Post,

Now that every Canadian is pulling up his or her belt and making real sacrifices to win the war, it does seem only fair that all government (municipal, provincial and Dominion) employees and members of Parliament, who draw salaries over $3,000 per year, should be reduced, as in the past, 10% for the duration of the war.

A. MacINTYRE BRUCE.

St. Thomas, Ont.

* * *

Let's Build Aero Engines

Editor, The Financial Post,

I have just finished reading the article on Canadian plane production in your Nov. 30 issue. Although the whole article promotes my righteous wrath at the ineffective progress we are making in one of the most vital parts of our war effort, I would like to draw attention, at this time, to just one point in it.

The statement is made that manufacturers believe that it is desirable from the practical point of view "to continue to depend largely on the United States for engines for Canadian airplanes."

Just because we could not produce any engines until 1942 or 1943 is no reason why we should not make the attempt. Let no one fool themselves into thinking that the war will be over then. Winston Churchill himself has declared that Britain cannot start an offensive until about that time.

The only reason for Canada not producing these engines, as far as I can see, is that the money and time spent in this direction by the Government could be used to better advantage in other parts of our war effort. But even if this is so, which I doubt, extra money and time should be found for this.

Admittedly there is a shortage of skilled labor in Canada at the present time. But our technical schools are filled with young apprentices, and by the time these factories are ready to operate, these apprentices should be approaching the skilled stage. The machinery would probably have to be brought from the United States or England, but, I believe, there are many obvious reasons why this would be a better procedure than buying the engines themselves.

Finally, if Canada could produce her own airplane engines, she would not have to import them from the United States. This would tend to lessen the amount of her unfavorable balance of international accounts with that country. So, come on, Canadian businessmen and Canadian politicians.

JACK FRANCIS,

Toronto.

* * *

What the Papers Are Saying

Canada as Clearing House

Utica Daily Press

Canada can serve a useful rôle in acting as a sort of clearing house for the exchange of ideas between the United States and Great Britain. Thus far the Canadians have refrained from attempts to influence opinion in this country, because of their belief that such efforts would be quite naturally resented.

It can hardly be called propaganda, however, to suggest that in common fairness to a friendly neighbor, the people of the United States should attempt to realize the genuine sacrifices already being made there. With a population less than that of New York State, Canada is attempting to take an important rôle in a vast and destructive war. Normal ways of life are being discarded in the national interest, for the Canadians are deadly serious in their efforts to prevent destruction of the British Empire.

Stop Me If . . . .

Visitor: "You don't mean to tell me that you have lived in this out-of-the-way place for more than 30 years?"

Brushville Citizen: "I have."

Visitor: "But, really, I cannot see what you find to keep you busy."

Brushville Citizen: "Neither can I—that's why I like it."

Week in Business

Public Savings Turned Into War Channels

Bank Figures Show Deposits Diverted to War Loan — Budget Stimulates Buying of Foreign Goods — Weather Effect Variable

Canadian bank statements recently issued, and the return of the chartered banks to the Minister of Finance as at Oct. 31, reflect in several ways the business developments due to the war.

Increasing loans to manufacturers, merchants and farmers are indicated in the heavier current loans while reduction in savings deposits shows the extent to which the Government borrowing is drawing on the savings of the people. The lower deposit figures, of course, do not include the amount diverted from weekly pay envelopes to the purchase of war savings certificates.

This condition was also seen in February when purchase payments were being made on the first war loan. As the money lent the Government is spent for munitions and equipment, it will be paid over to the people in wages and for merchandise and raw materials and find its way back to the banks as deposits when it can be borrowed afresh. Increasing note circulation of the Bank of Canada also shows a greater demand for cash.

* * *

Business generally continues active. Money is circulating freely owing to the larger payrolls.

At the annual meeting of the Canadian Bank of Commerce, A. E. Arscott, general manager, estimated there had been a gain of nearly $400 millions in the payrolls of a large group of Canadian workmen during the year. This increased spending power explains the brisker demand for goods of all kinds.

Weather recently in large sections of Canada has had a variable effect on business. Cold-weather clothing and rubber footwear have been in heavier demand. But sales of gasoline have fallen off sharply in some instances owing to the number of motorists who took their cars off the road on account of bad driving conditions. Garages, however, did a substantial amount of repair work on dinted fenders, broken axles, etc.

* * *

Demand for certain lines of general merchandise has been stimulated by the expectation that owing to Finance Minister Ilsley's latest budget various foreign products will either be unobtainable or higher in price when present stocks are exhausted.

The clause in the budget which banned import of "pulp" fiction magazines and comics from the United States has been followed by a ruling prohibiting also the import of materials from which these may be printed, such as mats, stereos, etc. Accordingly, if these magazines are to be distributed in Canada it will be necessary that they be produced entirely here. There is some speculation as to whether the Government would permit this.

Business Indicators

Current business active with D. B. S. index for week ended Nov. 30 higher than previous week and well above last year.

Livestock—Sales of cattle and hogs in November both higher than last year.

Railway carloadings and earnings for last week of November above 1939 levels. Totals for year to date also up.

Foreign trade—Imports and exports in October up substantially from year ago.

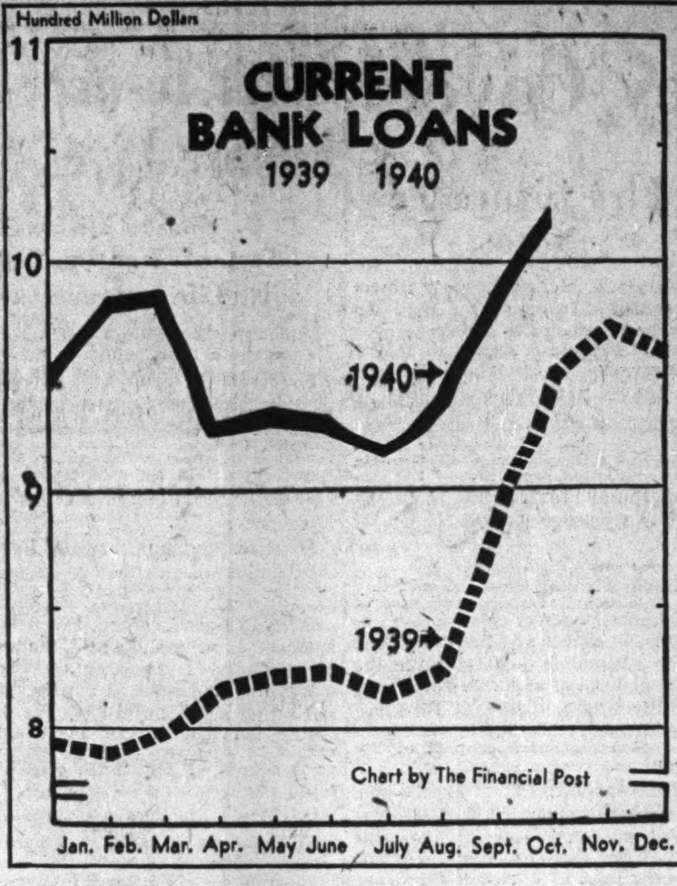
Sugar grindings for week ended Nov. 2 larger than year ago. Cumulative for year to date also gains.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

TREND OF BUSINESS—	**Nov. 30**	**Nov. 23**	**Nov. 16**	**Nov. 9**	**Dec. 2/39**
Weekly index of business, D.B.S.	106.4	105.1	102.1	102.1	102.3
Commodity prices index no.	84.1	84.0	84.0	83.7	80.2
	Oct.	**Sept.**	**Aug.**	**July**	**Year Ago**
The Financial Post business index	°151.7	147.4	142.9	139.5	126.6
Retail sales index no.	93.7	91.0	93.6	89.4	86.9
Dept. store sales index no.	92.4	89.0	89.2	87.5	90.0
Wholesale sales index no.	133.9	124.2	115.1	105.2	123.1
Country store (% change pr. yr.)	+3.6	—10.7	+9.8	+6.2	+3.5
EMPLOYMENT Index Nos., N.B.S.	**Nov. 1**	**Oct. 1**	**Sept. 1**	**Aug. 1**	**Year Ago**
▪All industries	139.2	136.2	131.6	127.9	123.6
▪Manufacturing	144.6	143.8	138.4	134.4	122.1
▪Wage earners, no. 000's	....	....	2,805	2,709	2,506
Living costs weekly budget	....	....	$17.82	$17.90	$16.93
			Jan. 1 to date		%
RAILWAYS—	**1940**	**1939**	**1940**	**1939**	**Change**
▪Carloadings (week Nov 30)	61,121	55,115	2,595,715	2,367,959	+9.6
▪C.N.R. gross (week Nov. 30) $	7,186,899	6,505,197	223,790,418	184,773,869	+21.1
▪C.P.R. gross (week Nov. 30) $	5,216,000	4,756,000	154,629,000	137,548,000	+12.4
C.N.R. net revenue (Oct.) $	5,241,322	5,453,848	33,209,638	12,106,202	+174.3
C.P.R. net revenue (Oct.) $	5,470,639	5,844,165	25,760,614	18,549,575	+38.8
IRON AND STEEL—Oct.—					
Pig iron production (tons)	109,385	85,758	948,841	573,740	+65.4
Steel ingots and castings prod. .... (tons)	185,091	149,890	1,649,639	1,087,583	+51.7
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales° .. (Oct.)	4,829	5,682	85,370	74,637	+14.4
Factory output .. (Oct.)	7,056	7,791	87,659	87,433	+0.2
Trucks and Buses:					
Domestic sales° .. (Oct.)	1,665	1,219	25,480	21,052	+21.0
Factory output .. (Oct.)	14,095	1,849	88,340	32,493	+172.3
Financing:					
Used .... (Oct.) $	3,230,121	2,710,322	36,103,792	30,327,357	+19.0
New .... (Oct.) $	2,125,353	1,749,308	28,227,723	23,834,099	+18.4
CONSTRUCTION—					
Contracts awarded..(Nov.) $	54,981,900	12,739,300	329,091,500	177,749,300	+85.1
Cement prod., bbls. (Aug.)	909,000	842,000	4,619,804	3,572,691	+29.3
AGRICULTURE—					
▪Flour prod., bbls. .. (Oct.)	1,872,514	2,089,562	13,590,455	13,326,579	+1.9
Flour exp., bbls. ... (Oct.)	750,193	444,144	5,942,573	3,866,648	+53.6
Wheat exp., bush. .. (Oct.)	9,658,887	16,848,847	110,129,700	107,856,939	+2.1
▪Cattle sales▴ ...... (Nov.)	123,596	108,983	1,062,519	1,009,833	+5.2
▪Hog sales▴ .... (Nov.)	654,218	443,398	4,766,632	3,268,256	+45.8
SEA FISHERIES—‡					
Catch, cwts. .... (Oct.)	1,052,400	830,900	9,450,250	8,398,750	+12.5
Landed value ...... (Oct.) $	1,669,300	1,203,200	15,961,000	15,106,650	+5.6
NEWSPRINT—					
Production, tons ... (Oct.)	309,957	280,985	2,883,562	2,339,884	+23.2
Exports, tons .... (Oct.)	275,821	270,493	2,702,750	2,149,435	+25.7
MINING AND OILS—					
▪Coal prod., tons ... (Oct.)	1,708,278	1,798,634	13,965,293	12,465,993	+12.0
▪Coal imports, tons .. (Oct.)	1,594,611	1,949,633	15,244,073	10,779,316	+41.7
Gold prod., fine oz. (Sept.)	440,450	422,392	3,935,341	3,801,760	+3.5
Crude oil prod., bbl. (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
Crude oil imp., bbl. (Sept.)	4,466,200	3,752,600	30,301,000	26,654,600	+13.7
ELECTRIC POWER OUTPUT—(October)—					
Total monthly, 1,000 kw.h.'s	2,487,455	2,589,956	24,971,047	23,213,736	+7.5
FOREIGN TRADE—♦					
▪Imports .... (Oct.)	108,644,852	79,053,266	877,364,556	594,384,985	+47.6
▪Exports .... (Oct.	106,790,810	91,418,530	976,102,781	735,458,619	+32.7
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.:					
1,000 bd. ft. .... (Oct.)	241,494	244,085	2,029,857	1,823,970	+11.2
Shoes, prod., pr. .. (Sept.)	2,484,668	2,368,374	19,454,317	17,905,207	+8.6
Cotton consump., lb. (Oct.)	16,662,648	13,036,098	158,876,127	98,861,553	+60.7
Raw rubber imp., lb. (Sept.)	6,061,154	8,004,372	68,083,514	48,753,726	+39.6
Cigarette cons. No.† (Oct.)	747,064	706,230	6,310,136	5,980,874	+5.5
▪Sugar manufactured .. lb.§	174,045,529	146,317,261	886,565,423	809,120,369	+9.5
FINANCE—					
Bank debits† .... (Oct.) $	3,526,825	2,898,916	28,179,805	25,630,139	+9.9
Bond sales† .... (Oct.) $	112,036	268,041	1,855,209	1,304,552	+42.2
▪Life insurance sales (Oct.) $	31,210,000	31,900,000	298,591,000	300,933,000	—0.7

°D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Nov. 2, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Final.
▴Total at yards and plants.
New items for week marked ▪

SKF
BALL & ROLLER
BEARINGS
ALL TYPES - ALL SIZES



WAR BOOSTS COMMERCIAL LOANS

Under the urge of expanding war orders, Canadian manufacturers in recent months have been resorting more and more to bank loans to finance their operations. Merchants and grain elevator companies have also been borrowing freely. The chart shows how these commercial or current loans of the chartered banks in 1940 have ruled consistently well above last year.

Keeping Posted . . .

By J. C. KIRKWOOD

Are we making plans for the desperate housing shortage that is going to afflict this country when the war is over? So asks Helen Marsh in her contribution to the Dec. 15 issue of Maclean's Magazine. New building has fallen away short of increased needs. An evil resulting from a housing shortage is increased moving. Even in peace time a million Canadian town-dwellers move every year, and the war has swelled that former figure of one in every six of the urban population. Miss Marsh's article deals mainly with the problem of rent control. Hers is a factual article, a documented article, which will of a certainty be read with sharp interest by both landlords and tenants. "In the last six months rents in most sections of Canada have gone into a steady hand-gallop. Canadians were good and ready for rent control—and it has come. But rent control won't build new houses." So claims Miss Marsh, and she goes on to say: "When the war is over we are going to be face to face with a major housing shortage. It is time that we started worrying about the future homes of that oft-forgotten man, the Canadian tenant."

JOHN C. KIRKWOOD

* * *

Mile Long Decoration

Kitchener City, in Ontario, has a mile-long festive dress of stars and streamers and sparkling lights to give cheer and color to its shopping district, and at the rockery entrance to the city on the Preston highway is a beautiful Christmas painting of evergreens with "Season's Greetings" in gothic lettering. Silhouetted against the lighted sign is Santa Claus with his sleigh and reindeer. It is to be hoped that many other communities have decorated their business and residential sections with lights and banners and evergreens, to give Christmas its happy spirit. We need in these times much to offset the heaviness of war news and anxiety.

* * *

Army Speed Up

Recent reports from England, says Bus and Truck Transport, indicate that Royal Canadian Artillery men can now hoist a weighty field gun onto a motor trailer in four minutes and whisk it about the countryside at 50 miles per hour, compared with the 10 miles an hour of 1918.

This article in Bus and Truck Transport has a good deal to say about Canada's Air Raid Precautions (A. R. P.) organization.

'In the not impossible event of an invasion of Canada," says the writer, "it is a foregone conclusion that civilian motor transport would be called upon to aid in local A. R. P. work, and to keep up the supply lines." Here, we Canadians have the advantage of our enemies. In this country we have far more car drivers per capita than in Germany and, for that matter, in England."

* * *

New Lights Coming

The first recorded commandment is "Let There be Light." It is a commandment still governing the great electrical companies. Samuel G. Hibben, director of applied lighting, Westinghouse Electric & Manufacturing Co., Bloomfield, N.J., is quoted as saying that tomorrow we shall see an amazing advance in illumination for factory and home. He declared that when the world is again at peace, lighting is going to make its greatest strides. He made it clear—so Hardware and Metal reports—that the filament-burning lamp with its low eficiency is definitely on the way out. It will be succeeded by fluorescent lighting—a type now being installed in numerous department stores and factories.

* * *

Marital Money Fights

Married people do spend quite a lot of their off moments fighting about money—as a recent survey by a national magazine for women showed. Thus speaks Eleanor Gale Carroll in her sparkling book, "Two For The Money" (McClelland). It's a book about a particular phase of the marriage relationship — the money phase, and it should be a "must" book in every newly-established home. Here are a few sparklers from this smartly, yet sensibly, written book: "When the American male take a wife, he is indulging in one of the world's greatest luxuries"; "That great 'American Standard of Living' is based largely on the fact that the little guys and gals have been allowed to buy things on time"; "Treacle is a dull diet; a good rip-snorting fight now and again adds spice to married life"; "Temptation is the first law of successful advertising"; "The joint account soon becomes a joint pain in the neck."

It may take courage to give wife or husband this really invaluable book.

See Modifications Jobless Insurance

Appointment of Advisory Committee to Scrutinize Financial Basis

By STAFF WRITER

OTTAWA.—By the time Canada's Unemployment Insurance Act becomes effective it is almost certain that the Statute now on the country's law books will be modified and changed.

Appointment this week of a strong advisory commission headed by Dr. W. A. Mackintosh and including Victor R. Smith, general manager, Confederation Life Association is taken to mean that before contributions are accepted from employees and employers, the financial basis of the Act will be scrutinized.

It will be remembered that when Mr. Smith appeared before the House of Commons committee which probed the present Act, he urged on behalf of the Canadian Life Insurance Officers Association, that the Act be not operative until an opportunity had been given to restudy the actuarial basis on which it rested, in order to ensure the Act was soundly based to meet present needs.

Unsuited Here?

Another important development is the probable elimination of the present complicated system of graded contributions now called for under the Act.

This plan follows the European practice, but is now thought to be entirely unsuited to North American conditions. An "expert" from the International Labor Office at Geneva, sold this bill of goods to the Government a year or so ago. Apparently he had little knowledge of wage and employment conditions on this continent.

The plan now on the statute books is thought to place an almost impossible burden on employers in respect of bookkeeping, etc. If, for example, a worker's pay rose from say $14 to $18 a week, he would, under the present act, have to be reclassified as to benefits, contribution, etc. Similarly, an increase or decrease in wages of as much as 10% might mean reclassification of the payroll of an entire industrial plant.

An attempt will probably be made to eliminate graded contributions and assessments and assess the cost of employee contributions as a flat percentage of payroll. This would eliminate the need for "stamps." It would also enable the contributions to be collected alongside the present National Defense Tax.

Australian Move Restricts Lumber

B. C. $3 Millions Export of Fir and Hemlock Hit Seriously

From Our Own Correspondent

VANCOUVER. — Australia's exchange difficulties are having a depressing effect on British Columbia's exports "down under." Canned salmon and newsprint sales were sharply curtailed several months ago and lumber quotas were also cut. Now come additional restrictions on lumber, which was sold by this province's sawmills to Australia to the value of more than $3 millions last year.

Douglas fir and hemlock shipments will be greatly reduced from now on, and total prohibition of hemlock is ordered to become effective next summer unless it is found that Australia is unable to replace that material for box making purposes from domestic species.

Next to the United Kingdom, Australia has been British Columbia's most important overseas lumber buyer, and this province has been supplying 95 per cent of the northwest's exports to that market.

Safeway Stores Expand In Vancouver Area

From Our Own Correspondent

VANCOUVER.—A total outlay of $370,000 is being made by Safeway Stores in current building expansion in British Columbia, according to figures made available this week.

This total includes expenditure on 11 separate retail stores in the Vancouver district ranging from $19,000 to $25,000 per unit. In addition, $70,000 was spent on the new Vancouver coffee roasting plant.

The company also has under construction stores at North Vancouver, Trail and New Westminster,

Wright Elected Head of Wilsil Ltd.

From Our Own Correspondent

MONTREAL.—George A. Wright has been elected president of Wilsil Ltd., in succession to the late James A. Law. In accepting the new post Mr. Wright severs his connection with Thrift Stores Ltd., of which he has been vice-president and general manager. Prior to joining the Thrift and Stop and Shop retail food organization he was for many years engage in the packing house business.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches; These facilities are at the disposal of our clients at any of our offices:

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LIMITED
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OFFICES:
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221 A 8th Ave. W. - - - - - Calgary, Alta.
McCallum-Hill Building - - - - Regina, Sask.
411 Avenue Building - - - - - Saskatoon, Sask.

NEW DODGE Job-Rated TRUCKS
they've got what it takes to cut your hauling costs
HERE'S WHAT IT TAKES

OF COURSE YOU'RE INTERESTED when we say, "Here's a truck that will lop off dollars of expense for you".

Naturally, you want to know why—and how!

Part of the answer is shown at the right. That's what we mean by Job-Rated trucks.

The rest of the answer is something that Dodge has been doing now for over a quarter of a century . . . building Dependable Motor Transportation.

These new 1941 Dodge Job-Rated trucks are the result of long experience in building trucks right. For example: The right kind of fine quality steel for each part . . . the right weight for each part . . . strength to "take it" and keep on taking it.

Most trucks look good in the showroom. Most trucks prove satisfactory in the first few thousand miles. After that—quality tells!

Dodge quality means longer life. Dodge quality means continued economy and performance. It means lower upkeep and repair costs. Dodge quality means more work done, from first to last, for less money.

See your Dodge dealer! Get the whole of the Dodge money-saving story from him . . . including his recommendation for the right Dodge Job-Rated truck for you.

• 6 ENGINES—including a Heavy-Duty Diesel
• 17 FRAMES—from ½-Ton to 3-Ton Heavy-Duty
• 16 WHEELBASES—from 116 inches to 205 inches
• 9 STANDARD MODELS
• 3 CAB-OVER-ENGINE MODELS

DODGE Job-Rated TRUCKS COVER 98% OF ALL HAULING NEEDS!

"..and then I'm going fishing!"

Says National Life Policyholder

L. Tremaine Gard

Owner and Manager of W. Tremaine Gard & Son, Jewellers, established 1870, Saint John, N.B. Specializing in diamonds and chinaware. Largest and oldest jewellery establishment in the province of New Brunswick. Member of several trout fishing clubs. A National Life policyholder since 1918.

As head of what is probably the largest and oldest jewellery firm in the Maritimes, Mr. Gard's belief in the value of Life Insurance is based on years of experience as a successful business man.

Already a long-time National Life policyholder, Mr. Gard recently added an Investment Bond to his other holdings. When he retires this Investment Bond will enable Mr. Gard (an ardent fisherman) to devote himself to his hobby, with complete freedom from financial worry.

Mr. Gard's example is recommended to any man desiring to spend his later years as he chooses—unhurried, contented and financially secure.

DIRECTORS
H. Rupert Bain, President
Robert Fennell, K.C., Vice-President.
Col. The Hon. Herbert A. Bruce, M.D., L.L.D.
The Hon. Eric Werge Hamber
The Hon. David O. L'Esperance
Lieut. Colonel S. C. Oland
Allan A. Aitken
A. H. Beaton, K.C.
Fraser D. Reid
Denton Massey, M.P.
Alfred Rogers, Jr.
D. H. Gibson

The
National Life
Assurance Company of Canada

Home Office Toronto

Established 1897

522 University Ave., Toronto, Ont.

United Steel Calls 6% Bonds January 1

United Steel Corp. has published notice of its intention to redeem its 6% first mortgage bonds on Jan. 1, 1941, as 102½. Payment will be made in Canadian, United States funds, or sterling.

At the end of 1939 the company had $149,000 of these bonds outstanding. Redemption of the bonds is part of the company's programme for simplifying its financial structure, which includes the redemption of certain minority interests in subsidiaries.

THE
ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870

DEPOSITS ACCEPTED — 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000

"When You Come Home"

RESIDENCE BURGLARY AND ROBBERY INSURANCE

One of the many forms of Protection furnished by

The CANADIAN IDEMNITY Co.

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CONFEDERATION LIFE FOR STRENGTH, SERVICE AND SECURITY.

A WOMAN
never forgets
THE MAN WHO
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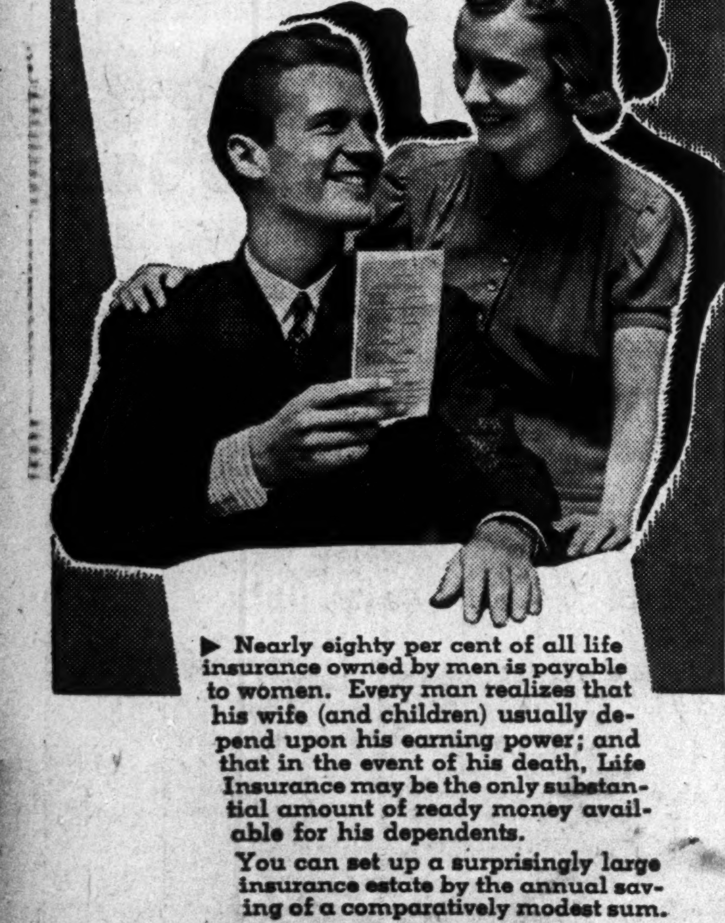


▶ Nearly eighty per cent of all life insurance owned by men is payable to women. Every man realizes that his wife (and children) usually depend upon his earning power; and that in the event of his death, Life Insurance may be the only substantial amount of ready money available for his dependents.

You can set up a surprisingly large insurance estate by the annual saving of a comparatively modest sum.

When a Confederation Life representative calls upon you, consult him. He is trained to advise you.

Confederation Life Association
HEAD OFFICE TORONTO
ONE OF THE WORLD'S GREAT LIFE INSURANCE INSTITUTIONS

Fire and Casualty Insurance

What Does Your Policy Cover?

Inventory of Household Effects Often Saves Time and Embarrassment When a Fire Occurs

Should individuals carrying fire insurance on their household effects keep an inventory of the possessions insured and their approximate value?

Insurance men and officials generally think so. While there is no legal obligation to do so, many a headache, they say, could be avoided when a fire occurs, if the insured had only taken the trouble to make out previously a list of the articles insured with some estimate as to the value. When such a list is lacking it may open the way for misunderstanding, suspicion and irritation before the claim is paid.

The inventory removes much of the uncertainty in the mind of both insurer and insured.

What is Insured?

Take yourself as an ordinary householder. Can you name immediately the contents of your living room or your dining room? Do you remember the case of valuable silver which your wife only brings out on special occasions? Does your wife know just how much it would take to replace all the furnishings, drapes, bed linen, etc., in your house? In each case the answer is most likely, no.

Accordingly one advantage of taking an inventory, insurance men point out, is that it gives the individual some idea of what his household effects are really worth. First he enumerates them article by article; then he values them.

Gives Definite Idea

Many a householder has been surprised when he made out an itemized list of his household effects and valued them either at replacement cost at time of making the inventory or the cost at time of purchase. It may show him to be either underinsured or overinsured, more often the former, insurance men say. By thus giving the individual a definite idea of what he is really insuring, the taking of an inventory, it is claimed, performs a valuable service.

Then when the fire occurs—an insurance official gives a simple formula for arriving at the loss sustained. He says take the value of the goods you had originally and deduct from it the value of the goods left and you have your loss.

Insurance losses are paid on the basis of the actual cash value at the time of loss or damage. Opinion may vary as to the actual value at the time of a fire. But there are two ways in which a basis for settlement may be arrived at:—

1—The insured can list each article according to its actual cash value at the time he takes out the insurance.

2—He can state the cost at time of purchase, giving a definite date.

But suppose you are underinsured without knowing it.

Take a case in point: A man has an eight roomed house. He insures his household effects for $2,500. His wife has a grand piano worth $800 to $1,000. They also have some paintings worth several hundred dollars. The fire destroys the drawing room furniture, including the pictures and piano and spreads out into the hall and dining room, destroying his wife's fur coat and valuable silverware and china. His actual loss sustained in the hall and two rooms may be 50% or more of the total amount of insurance carried. If he starts making his claim up from memory the suspicion of the insurer may be aroused. He may doubt values placed on different items. This can be avoided if the inventory has been prepared beforehand. Then supposing he forgets certain items. He may not remember them till after the claim is settled. Or he may have antiques or curios actually worth considerable money. But to claim these after a fire, when the claim is the first mention made of them, may cause a lot of embarrassing questions to be asked.

All this can be avoided if an inventory has been taken.

Sometimes it is a good thing to make two copies of the inventory, depositing one with the application for insurance and attaching one to the policy.

A Basis for Settlement

Such an inventory, of course, may not be exact to the minutest detail.

After it has been made up the insured may add to his belongings or he may reduce them by selling something or giving it away. The important point is that the inventory gives a definite basis to work on as against the hit-and-miss method of working from memory after the fire is over.

Except in special cases it is not considered necessary to list say every piece of china. But where, for instance, a dinner set is of special value it is considered wise to make a note that the value of the household china amounting to a total of so much included a dinner set worth a stated sum. The same is true as regards pictures, jewellery, bric a brac, etc.

Room by Room

Most of the inventory forms provided by the company take each room in the house singly and list the articles usually located therein. For instance, the section devoted to the living room includes such items as carpets, chairs, clock, couch, curtains, mirrors, musical instruments, rugs, tapestry, pictures, bric a brac, etc. In the dining room would be included glassware, chinaware, linen, silverware. Some companies in such items as pictures and bric a brac leave space for a special list, so that the total value can be included in the furnishings of a particular room with the articles given in detail elsewhere.

Such inventories expedite settlement of a claim as well as prevent possible heartburning and irritation. They also show the property owner definitely whether he is adequately covered by insurance or not.

Fire Insurance Notes

Wilson E. McLean, deputy superintendent of insurance for Manitoba has been appointed secretary-manager of the (new) Canadian Inland Underwriters' Association. He will assume his new duties about Jan. 2, with headquarters in Toronto.

Mr. McLean is a native of Manitoba, and a lawyer by profession. He was appointed secretary of the Association of Provincial Superintendents of Insurance in 1939.

* * *

Under a ruling by the Association of Provincial Superintendents of Insurance, insurers in all provinces except Quebec are forbidden to issue new automobile policies with the present form of endorsement relieving the insurer of liability for property damage under $50 in consideration of a remission of part of the premium.

This endorsement, it is claimed, was sometimes subject to abuse. Insurers in such instances, when damage under $50 occurred, used this endorsement as a reason for denying all liability in connection with the claim. Strictly they were supposed to settle with the injured party and then collect from the policyholder. But instead of this they left the injured party to fight out his case with the policyholder.

The new regulation is to prevent this procedure. It does not apply in Quebec because the uniform insurance act is not in force there.

* * *

Whenever funds are held by private institutions for the benefit of the public, some form of public supervision is both necessary and desirable, Hon. John C. Blackhall, Insurance Commissioner for Connecticut, told the Association of Life Insurance Presidents at their annual meeting in New York.

While life insurance companies on the whole have administered their funds successfully, he added, there is always the possibility that certain individuals may be led into unsound practices.

He believed it was the business of the supervising authorities to ascertain and correct such situations before misfortune arrives and to foster methods that would ensure the soundness of investment policies.

* * *

Robert Fennell, of the legal firm of Fennell, Porter and Davis, has been elected a director of the Reliance Insurance Co. of Canada. Mr. Fennell is also vice-president of The National Life Assurance Co., Pickle Crow Gold Mines, Uchi Gold Mines and Hasaga Gold Mines; director of Toronto Carpet Manufacturing Co., Barrymore Cloth Co. and Royal Alexandra Theatre, and member of the board of governors of Toronto General Hospital.

On the board of the Reliance Insurance Co., Mr. Fennell fills the vacancy created by the death of Col. Robert Starke of Montreal. The Reliance Insurance writes fire and casualty insurance. Its head office is at Montreal.

Obituaries

A. D. MacTier, formerly vice-president eastern lines, Canadian Pacific Railway, aged 72, at Montreal.

R. J. MacFarlane, purchasing agent for General Motors of Canada, at Oshawa, Ont.

William Stewart, former manager Huron and Erie Mortgage Corp. at Hamilton, aged 72, at Hamilton.

W. D. Taylor, partner of Clarkson, Gordon, Dilworth and Nash, chartered accountants, Toronto, aged 58, at Toronto.

Life Insurance

Can't Insure Enemy Lives

J. G. Godsoe Discusses Effect of War on Canadian Life Insurance

Under the Regulations Respecting Trading with the Enemy, Canadian life insurance companies are restricted from carrying on business with persons classed as enemies, J. Gerald Godsoe, assistant general manager of the Confederation Life Association, told the Association of Life Insurance Counsel meeting at New York.

Enemies, for the purposes of these regulations, were defined as persons residing in enemy territory or areas occupied by the enemy, interned persons and persons declared to be enemies. In general, he said, the test of an enemy for trading purposes was not so much one of nationality, but rather a territorial one. For instance, an Englishman in Berlin would be regarded very definitely as an enemy while a German in Toronto might not be so regarded.

Under the regulations the Custodian of Enemy Property is concerned only with the Canadian business of companies operating in Canada and, generally speaking, not with business originating in neutral countries which might be subject to the courts of those countries. For example, Mr. Godsoe stated, payments due an enemy national who was insured in Cuba would continue to be made to the insured or his representative in Cuba in the normal course.

Moreover, no payments were expected to be made to the custodian until they became due and payable to the enemy.

Periodic Payments

Other conditions noted by Mr. Godsoe were:

Annuity, disability and other periodic payments due enemies other than internees were to be retained by the companies with interest allowed at the rate ruling on delayed claim payments.

Where an interned enemy was entitled to disability benefits payments are to be made to the custodian.

Dividends on participating policies other than those payable in cash may be applied by the companies in the usual way. Dividends payable in cash are to be applied by the companies to keep the policy in force.

General premiums may be accepted on policies on the lives of enemies.

Policies Maintained

Policies on the lives of enemy nationals in neutral countries, such as Central and South America, Mr. Godsoe stated, have been maintained in force surprisingly well.

Under the Treaty of Versailles, he added, lapsed enemy policies came in for preferential treatment. Under this treaty an enemy policyholder was given the right to reinstate his policy without evidence of insurability. Even though the insured had died, he stated, under the treaty the right to restore the contract could have been exercised. In case some clause of this kind is inserted in the peace treaty after this war, companies are keeping complete records of all lapsed policies on enemy lives.

Group Insurance

Dealing with the war clauses adopted by the companies on the outbreak of war, Mr. Godsoe stated that any person insured under a group policy who leaves his company to enter active service is considered to have terminated his employment as far as the group policy is concerned. Accordingly his group insurance coverage ceases at once.

Where contracts were issued before the outbreak of war in most cases the employer may continue the insurance in force for employees enlisting for active service.

Institutional Advertising Results Please Companies

Life insurance institutional advertising in Canada appeared in the daily papers of Canada 20 years ago, a few years later in the principal farm papers and more recently in the class A weeklies and financial papers, R. Leighton Foster, K.C., general counsel of the Canadian Life Insurance Officers' Association, told the annual meeting of the Institute of Life Insurance of New York. Every daily newspaper and every farm and financial paper rated by the Audit Bureau of Circulation and every weekly class A newspaper throughout the Dominion is employed.

J. F. Weston, president of the Imperial Life, Mr. Foster noted, was the first chairman of the first special committee of the Life Officers' Association on advertising, which position he held for 21 years. It took four years, however, for the committee to get enough companies to co-operate to make the plan feasible.

The first appropriation was $32,000, which has since been advanced to $75,000. Companies contributing to the cost include 28 British and Canadian and two American companies. Mr. Foster hoped this would be extended to $100,000 a year if and when the other U.S. companies doing business in Canada would contribute to the campaign.

Life Insurance Problems

In Two Provinces

A man living in Quebec has life insurance. His beneficiary lives in Ontario. If he dies will the succession duties cost more than they would if the beneficiary lived in Quebec?

—

The rate of succession duties levied on any estate depends on three factors:

The net value of the whole estate.

The degree of relationship to the deceased of the beneficiary or heir.

The amount passing to any one beneficiary.

Thus the rates of the succession duty on a $200,000 estate would be higher than on a $10,000 one; so too if the beneficiary were a distant relation or only a friend of the deceased as compared with a child, sister, brother, or other close relative. The rate would also be higher if say $100,000 were bequeathed to one beneficiary compared with $10,000 so bequeathed. The location of the beneficiary does not appear to have any bearing on the matter.

The
WAWANESA
Mutual Insurance Company

Assets Exceed ...	$2,600,000.00
Surplus	1,330,363.89
Dominion Govt. Deposit exceeds	1,000,000.00

Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

The Independent Order of Foresters

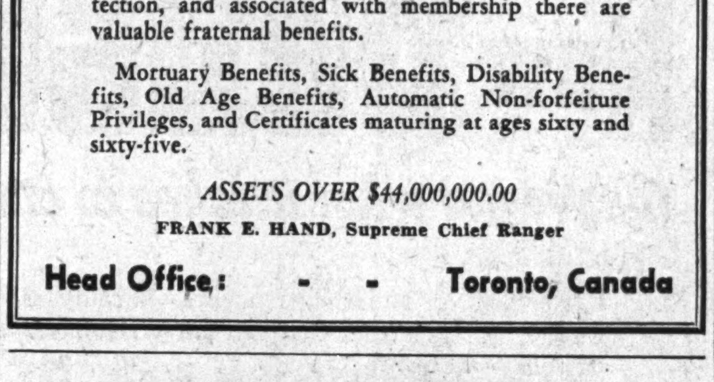
The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection, and associated with membership there are valuable fraternal benefits.

Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.

ASSETS OVER $44,000,000.00

FRANK E. HAND, Supreme Chief Ranger

Head Office: - - Toronto, Canada



IN FIRE INSURANCE, ONLY CAREFUL SELECTION OF EVERY PROPERTY CAN PROTECT ALL

Careful selection of properties and owners is the root of this company's enviable record of policyholder benefits.

The selective character of Northwestern policyholders results in substantial annual savings, which under the mutual plan are returned to the policyholder. Last year these savings amounted to $1,531,487.

Applications For Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Canadian Head Office Vancouver, B.C.

Curbstone Medical Advice

"That's the same kind of stomach trouble my husband had—why don't you do what his doctor advised?..."

"Anne's headaches were just like that, too—I'll tell you what Grace should do for hers..."

"It cleared up Johnny's throat in no time—I'm sure it will help Jimmy..."

How easy it is to get friendly, well-meant health advice! It is generously and sincerely offered over the luncheon table, the tea tray, the telephone, or on the street corner.

But how dangerous it can be!

For one person's stomach upset may result from over-eating ... but another's from gastric ulcer. A headache may be due to eyestrain ... or to sinus infection ... or even to brain tumor. And while one youngster's sore throat may be ordinary tonsillitis ... the next can be a deep-seated abscess ... or the start of diphtheria.

▶ And the danger of diagnosis by uninformed, unqualified advisors doesn't stop there. Frequently people *with the same complaint* should be treated differently. Literally, one man's medicine may be another man's poison. One of the world's leading medical authorities says that each case of sickness should be considered as unlike any other.

Then ... what *is* the right thing, the *safest* thing to do when trouble comes?

Get your advice from a physician!

His years of training and experience fit him better than anyone else to determine just what is wrong and what is the right treatment for *you*. It is unjust to put your druggist on the spot—don't ask him to act as your family physician. Get a doctor's advice *early*—for most of the common ailments known to man respond to treatment more promptly and more successfully when caught at the outset.

Remember—good intentions alone have caused too many tragedies. With good professional advice available, why take any chances with the kindliest of amateur "medical" advice?

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
FREDERICK H. ECKER, *Chairman of the Board* — LEROY A. LINCOLN, *President*
CANADIAN HEAD OFFICE—OTTAWA

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

FOR OVER 100 YEARS

DACK'S GIFTS
HAVE DELIGHTED CANADIAN MEN

This Christmas give "him" Dack's—the finest in men's shoes and slippers, hose and spats. We invite you to come in and see the wide selection of gifts that men truly appreciate. If you're worried about style and size, simply use a DACK GIFT CERTIFICATE.

HOSE
What every man wants — Dack's Hose of the finest quality and smartest patterns. Priced from $1.00

DACK'S SHOES
See the newest styles for business, dress and sports wear. Priced from $11.00

SPATS
Made from exclusive English broadcloth in the latest shades. Priced from $3.50

Dack's SHOES FOR MEN

DS-190

73 KING ST. W. — TORONTO, ONT.

SHOPS IN PRINCIPAL CANADIAN CITIES

"AN EVENTFUL AND MOMENTOUS YEAR IN HISTORY OF MANKIND," SAYS S. H. LOGAN

President of The Canadian Bank of Commerce Reviews Canada's War Efforts

About 350,000 New Workers Employed

BRITISH RESOURCES EXCEED THOSE OF AXIS POWERS

Mr. A. E. Arscott, General Manager, Presents Statement of Bank's Strong Position

Reviews Industry and Employment—Production Rises 20 Per Cent.—Payrolls Increase Nearly $400,000,000

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the Head Office of the Bank in the City of Toronto, 10th December. The President, S. H. Logan, reviewed Canada's efforts in the war, and the effects upon Canadian production and Canadian employment. Mr. A. E. Arscott presented a statement of the Bank's operations during the eventful past year. He addressed the meeting as follows:

The Balance Sheet presented today shows some substantial changes in comparison with the Statement for 1939 and is of special interest for the reason that it covers the first year of the present war.

Our Total Assets amounted to $704,480,000, being lower by $41,170,000 than the aggregate for 1939. The major change in the Assets occurs in our security holdings which show a decrease of $43,598,000. This downward trend in Total Securities held has its counter-reflection chiefly in a reduction of our Liabilities to the Public and in a substantial increase in our Current Loans in Canada.

Total Quick Asets amounted to $395,932,000, being 60.63 per cent of the Total Liabilities to the Public. Our Total Cash Reserves amounted to $119,121,000 represented by Notes of and Deposits with the Bank of Canada and Notes of, Cheques on and deposits with Other Banks, the equivalent of 18.24 per cent of the Total Liabilities.

ASSETS

Our Current Loans and Discounts in Canada at $219,947,000 show an increase of $18,172,000, which indicates a greater demand by industry for advances in connection with the increased production resulting from war activities. Current Loans and Discounts elsewhere than in Canada at $17,211,000 are lower by $5,380,000.

LIABILITIES

Our Total Deposits this year stand at $615,074,000 as compared with $662,708,000 last year, a decrease of $47,634,000. Last year, however, I explained when presenting the Statement that the deposits of the Dominion of Canada then showed a substantial increase largely represented by the proceeds of the two year notes which were purchased from the Dominion in October, 1939, and which had not been withdrawn at the end of the Bank's year. In this Statement the Dominion of Canada deposits with the Bank show a decrease of $22,223,000.

Our Deposits Not Bearing Interest show a decrease of $726,000.

SAVINGS BANK DEPOSITS

Deposits by the Public Bearing Interest, which largely represent Savings Bank deposits, stood at $348,604,000 as against $374,553,000 last year, a decrease of $25,949,000. This decrease is the result of withdrawals by investors for the purpose of investing in the First and Second Dominion of Canada War Loans.

BUSINESS ACTIVITY

With regard to Canadian business conditions during the year, the salient factor has been the intense activity in industrial operations and the preparation to accelerate these further by the opening of a considerable number of newly constructed plants as well as additions to existing establishments under the aegis of the Dominion Government. A year ago the Bank's index of industrial activity, which we publish each month in our Commercial Letter, showed that production was at an all-time high, 12 per cent above the previous record of 1937. However, at this time the index shows that another record has been established, about 20 per cent above a year ago, mainly attributable to the increased production of heavy industrial units, machinery and mechanical equipment plants in the past six months. Forestry has also been strongly progressive, as with the cutting off of North European supplies Canada has become the principal source of lumber for the United Kingdom and of pulp and paper for that country, the United States and Latin America. The largest domestic construction programme undertaken since 1930 also contributed to the exceptional demand for forest products, the output of which was one of the highest in the history of the Dominion.

MINERAL PRODUCTION

Mining has also contributed heavily to our war effort. The gold production this year, it is estimated, will amount to $215,000,000, a very important sum to assist us in providing exchange for the payment of materials which it is necessary for us to import to supplement our own supplies for the production of armament. Another branch of the industry, that of minerals used in construction, has also become increasingly important. In addition a large part of a record non-ferrous metal production has been turned into vital sinews of war in a greatly increased number of domestic industrial operations and in the plants of the United Kingdom. The value of mineral production as a whole for the year will probably exceed $500,000,000, the highest in the spectacular history of an industry which is among the most important in the world. It is noteworthy also that this new record was established under stable prices for the major metals and, therefore, as the result of loyal service rather than from profit incentive.

EMPLOYMENT

Another major development in the trend of Canadian business during the year under review has been the increase in employment. The Minister of Finance stated in the House of Commons on 21st November that the index of employment indicated there were 550,000 more employed in Canada than when the war started — 350,000 of these in industry and 200,000 in the various war services. With such a strong upward swing in employment it follows that there has been a very substantial increase in the aggregate amount distributed in wage payrolls.. In an endeavour to measure the extent of what has occurred in this connection we are compiling, with the kind co-operation of many employers across Canada, a wage index which, having regard to the wide cross-section from which we have gathered the particulars, may be regarded as portraying the general situation in this respect. This index, I am pleased to record, indicates that the total wages paid to Canadian workers in industry, trade, logging, mining, construction and transportation have increased about 30 per cent. The figures available indicate the total payroll of the above group for the year 1939 as approximately $1,330,000,000, which, on using the percentage rise shown by our wage index, would represent an increase of nearly $400,000,000 this year in additional earnings, represented partly by higher wages, partly by more full-time employment and partly by an increase in the number of employed, are the result of the increased tempo of business brought about by the very heavy Government expenditures in connection with Canada's contribution to the war effort of the British Empire. These Government expenditures, if Canada is to do her part, must continue at a high rate. At the present time the Dominion's war expenditures are running at the rate of one billion dollars a year and still increasing. These expenditures must be provided to the fullest extent possible by means of taxes and the balance required by way of the sale of bonds and savings certificates. In the months ahead, therefore, everyone should save from salaries, wages and all other sources of income to the limit of his or her ability and lend these savings to the Dominion to assist in carrying on this heroic fight for freedom and security. The people of Canada are being asked to do this voluntarily, but to be fully effective the response must be on a scale as adequate as the compulsory measures employed by the enemy. Half-hearted compliance will not be enough. It is the duty of every Canadian to invest in War Savings Certificates, Dominion War Loans or Non-Interest Bearing Certificates. I observe that the objective for the war savings campaign for 1941 has been set at $10,000,000 a month, and judging by the increase in payrolls to which I have referred above, this should be possible of accomplishment.

CANADA WILL PLAY HER PART

In so great a war as this it is impossible to make any reliable forecast as to the trend of events during the coming year. I have complete faith, however, that no matter how arduous conditions may be they will be successfully met by British skill, courage and resource, and that in this epic struggle for the preservation of the Empire and all that it means to its own peoples and the world at large, Canada, in keeping with her high traditions of the past, will not be found wanting in either effort or sacrifice until final victory is attained.

President S. H. Logan Quotes Total Value of War Orders Placed in Canada to Date at $850,000,000

The past year has been one of the most eventful and momentous in the history of mankind. Many countries have fallen victim to the ruthless aggression of the Axis powers in spite of heroic efforts to maintain their independence. Although grievous losses have been and are being suffered by the United Kingdom from massed bombing attacks, conviction grows throughout the world that the British Empire, aided by powerful liberty-loving friends, can successfully resist all assaults upon it and eventually triumph over the most destructive war machine ever designed for conquest and supremacy. This conviction is soundly based on the daring and brilliant exploits of the Royal Air Force and of the British naval and military units, together with the unexampled courage and endurance displayed by the civilian population of the British Isles. All nations who prize freedom owe an imperishable debt of gratitude to these valiant defenders of their liberty and security.

In our daily preoccupation with the military aspects of the war we may fail to realize the remarkable adaptability and genius for emergency organization which the British have displayed in the political and economic fields. These qualities have immensely strengthened Britain's powers of defence and attack. They have as well completely falsified the claims that Britain is a decadent nation, incapable of matching the co-ordinated activities of the totalitarian States, owing to her adherence to an alleged rigid and selfish political and social system.

CANADA'S WAR EFFORTS

The war efforts of Canada, particularly those of the past six months, have been much more intensive and extensive than we foresaw a year ago. It is difficult to judge the full effects upon business of the vast programme of organization and armament which has now been undertaken and which, owing to the altered conditions of warfare and the imminence of national and Empire peril, greatly exceeds in scope and variety that of the corresponding period of the Great War. Obviously, the many thousands of orders for war requirements placed here, both by the Canadian and British authorities, amounting to over $850,000,000 since the outbreak of hostilities, have given a tremendous impetus to Canadian trade and industry. Even greater stimulation may be expected until this country is adequately armed and the United Kingdom is supplied with all the materials which we are able to provide for her. Our war programme is, indeed, assuming such vast proportions that it will require not only the diversion of certain productive equipment from civilian to war purposes, but will also necessitate the unstinted support of all our citizens. There is, o,f course, no question as to the loyalty of our people and, united as never before, they must realize that everything they possess is at stake in this world conflict. But it should be understood that the effort required is of many kinds—both direct and indirect, physical, material, financial and moral. The essentials include hard work in enthusiastic co-operation in order that, while providing for the necessary defence of Canada, we may give all the assistance in our power to the United Kingdom; strict personal economy, in order to be able to meet the inevitable continuous increase in our tax burdens, and enable each of us to contribute to the successful flotation of Canadian war loans; and loyal co-operative support of all emergency measures designed by Government and Parliament for the more effectual prosecution of the war. I need not assure the shareholders that this Bank will make its full contribution to the national effort in this most critical period of the life of Canada and the Empire, of which we form so important a part.

CANADA'S ECONOMIC RECORD

Nothing reflects more clearly the economic strength and productivity of Canada than her record during the past year. Besides providing employment for about 350,000 new workers and turning out fully 10 per cent more goods for domestic consumption than in the preceding year, she has supplied the training facilities and part of the equipment for armed forces of about 350,000 and has undertaken additions to the country's industrial plant to cost over $250,000,000. In export trade the national economy records a remarkable growth, much beyond our vision of a year ago. Indeed, the expansion could hardly have been expected owing to the spread of hostilities throughout Europe and the whole Mediterranean area. The value of exports, apart from a substantial quantity of unsold wheat placed in American storage, was about $1,130,000,000, the highest in the past ten years, 28 per cent above that of the twelve months ending October, 1939 and about equal to that of the third year of the Great War. Since value varies with price changes it is perhaps of more interest to note that the **volume** of our exports increased in the period under review by about 12 per cent.

Impressive also is the fact that the rate of increase in the value of Canadian exports exceeded that of all important non-European countries, except the United States. In that country a slightly greater rise may be accounted for by higher prices of some materials and by the generous action of the American authorities in delivering military and naval equipment to the United Kingdom to replace that lost in France and Belgium. Indeed, it is a reasonable assumption that Canada and the United States have expanded their export trade in a degree not equalled elsewhere. A few European countries may have greatly increased their exports to neighboring areas, partly as a result of German requisitions of accumulated supplies, but the effect of Nazi policy must have been to cut down the volume of inter-European trade as a whole. The almost complete exclusion of German, Italian, French, Dutch, Belgian and Scandinavian products from overseas markets alone has meant a loss to Europe of several hundred million dollars. Iu striking contrast, the value of the United Kingdom's exports has scarcely been impaired, notwithstanding her strenuous armament efforts, the loss of practically all her European trade and the terrific bombing attacks to which she has recently been subjected. The foreign sales of South America declined in the past few months, but the full year's trade of some countries in that area, notably Argentina, compared favourably with that of the preceding twelvemonth.

DISTRIBUTION OF FOREIGN TRADE

The United Kingdom and the United States took about 80 per cent of our exports, in nearly equal proportions. There is, however, much more represented by our trade in these directions than its value of over $900,000,000. Exports to the United Kingdom were of materials essential to the well-being of the British people and their splendid war effort, and included abnormally large shipments of metals from the vast and highly efficient mining industry which Canada has developed since the conflict of 1914-18. The shipments also included large quantities of foodstuffs, as well as of textiles, motor equipment and lumber. Never have we had greater reason for economic satisfaction than that the growth of mining, manufacturing and forestry in Canada has enabled these industries to contribute so substantial a part of the materials necessary for carrying on the war.

Our exports to the United States were in the main of a different character, although recently we have made quite heavy shipments of metals and asbestos which apparently were required for armament purposes. But the most notable increase in exports to our southern neighbor was in newsprint and wood pulp, which accounted for 30 per cent of the rise of more than $120,000,000 in this trade over the twelve months ending October, 1939. Apart from our exports to the United Kingdom, the rise in shipments to British Empire countries, to South America and to sundry foreign markets was so substantial that it practically offset a decline of about 50 per cent in our trade with Europe and Japan.

Imports from all sources in the twelve months ending October were valued at $1,034,000, about 47 per cent higher than a year previous. This greater rate of increase than the expansion of 28 per cent in exports was due mainly to a rise of about $250,000,000 in imports of American products, chiefly those required for our armament programme. As these imports from the United States are likely to continue to grow it has become necessary to limit the inflow of nonessential American goods, while at the same time the Dominion Government has found it advisable to institute measures providing for increased imports of Empire products, particularly from the United Kingdom. But these policies can be implemented in an effective manner only by a more widespread public demand for British goods, and I stress the fact, therefore, that the purchase of these is of material aid to the United Kingdom in her fight to hold the lines of democracy.

RESOURCES OF THE BELLIGERENTS

Hitler has recently stated that he is gearing the productive capacity of Europe into one vast machine which he claims will ensure a German victory. A study of the economic resources available at this time to the Axis bloc and to the democratic powers is, therefore, of interest.

The democracies have at their command a far greater proportion of the world's major raw materials than have the totalitarian states. The British Empire, together with the free colonies of its allies, the United States and the other republics of the New World, all friendly to Britain, constitute a powerful economic bloc which contains in the aggregate a volume of war materials much greater than that of the Axis powers, combined with that of their non-belligerent allies, and those countries in which their influence is effective.

The democratic bloc possesses not only a large surplus of cereals, a steady supply of animal products and of other agricultural products, but also controls many common luxuries. In contrast, the supply of foodstuffs of the Axis bloc allows for no surplus of grains, is rapidly becoming deficient in animal products and is so badly distributed that privation is increasing in most of the Nazi-held territory.

72% OF WORLD'S TEXTILES

In the textile field the democracies produce 72 per cent of the world's cotton and wool, virtually all its jute and nearly half its wood pulp. By their access to the British and Netherlands plantations in the Far East, practically the whole of the world's rubber supply is available to them and the bulk of the asbestos output is also at their command. In fuels they produce 51 per cent of the world's coal and lignite and 80 per cent of the mineral oil, the contribution of the United States alone being 60 per cent.. Nearly half of the world's iron ore is mined and half the crude steel produced by the democracies which also mine about 40 per cent of the manganese, tungsten and antimony ore, 50 per cent of the chrome and between 95 and 100 per cent of the nickel, molybdenum and vanadium, all of prime importance as ferro-alloys for armament purposes.

The Allies and their associates control 75 per cent of the world's gold production, 80 per cent of the tin, between 70 and 80 per cent of the copper, lead and zinc and 40 per cent of the bauxite, the raw material af aluminium. On the other hand, the Axis powers, while greatly deficient in most ferro-alloys, control 40 per cent of the world's production of iron ore, including the high grade ore of France. They possess ample lead, zinc and coal and have easy access to over 50 per cent of the bauxite through their domination of Continental Europe.

COMMODITY PRICES

Under war conditions the question arises as to whether supplies of materials which can be made available in Canada and the United States will be sufficient to meet the essential requirements of the public and those of governments engaged in immense armament programmes. There are, therefore, some feverish symptoms in commodity markets and a tendency for many buyers to build up their inventories beyond normal levels in the fear of being at a disadvantage with competitors who are in posession of large stocks of cheaper materials. Yet nothing has happened so far in this war to cause any marked lasting rise in the general price level or to create concern as to the supply of most classes of goods, particularly those of domestic and American origin. The rise of 16 per cent in the Canadian wholesale price level since the outbreak of hostilities is accounted for largely by increased marine freight, exchange and insurance costs on commodities from foreign sources. Shortages of goods have been few and only of temporary duration for the following reasons.

WORLD PRODUCTION

World productivity expanded in the pre-war period so that the combined output of eighty-five basic materials in 1939 was about 60 per cent above that of twenty years earlier, while the potential capacity was in many cases greatly in excess of production. For some time prior to September, 1939, governments engaged in large-scale rearmament were accumulating reserve stocks of materials. When hostilities began these governments reinforced their strong bargaining position by price, import and exchange control measures, accompanied in some of the major countries by priority demands for their own requirements and effective restrictions upon the production and distribution of civilian goods. While insistence on the priority of their claims upon materials may be extended by the democratic governments, the severance of most of the immense European market from the rest of the commercial world has made available to the latter area much greater quantities of commodities — American, African and South American minerals and foodstuffs, for example—than it has ever previously had at its command. Under these conditions there are no good reasons for frenzied buying by manufacturers and merchants.

We all realize that wars have a tendency sooner or later greatly to raise commodity prices, but even in the event of a shortage of certain materials a general scramble for the available supplies would only aggravate the situation and probably lead to further restrictions upon the production of civilian goods. All governments involved directly or indirectly in this war desire to exercise the restraints within their power upon inflationary elements, particularly those substantial increases in commodity prices which alternate with approximately corresponding advances in wage levels, in effect, a race uphill in which there is no victor—merely exhaustion for all participants.

PROBABLE ECONOMIC TRENDS

Looking beyond the present situation and the immediate possibilities we might attempt consideration of some of the general conditions in prospect for commodity markets in the post-war period. The reconstruction of Continental Europe and the United Kingdom will require great quantities of materials, but part of these will be drawn from stocks accumulated in the hands of other nations and their governments which may include surpluses of various commodities suitable for general use. Some governments then may be sellers instead of buyers, as they were after the Great War of 1914-18. While I am hopeful that Canada will be able to retain a substantial share of the new trade obtained during the war period, she can do so only at the prices established by the competitive conditions of peace times, when lumber from the United States and Northern Europe, wood pulp and paper from Scandinavia, canned salmon from the Japanese fisheries in Siberian waters, foodstuffs (notably wheat, dairy products and meats) from Australia, Argentina, Denmark and Holland and metals from Africa, South America and elsewhere will once more move through international trade channels. Furthermore, when hostilities cease we shall probably find that because of war needs and for self-preservation industrial capacity has been increased beyond all expectations in many countries besides Canada. This increased industrial plant, if kept in operation, will result in far keener competition for foreign trade when the war is ended.

DIFFICULTIES TO BE GUARDED AGAINST

We are not so far distant from the last post-war period that we can comfortably ignore the difficulties attending the liquidation of excessive inventories in steadily weakening markets. Then heavy, and in some cases ruinous, losses were suffered by many manufacturers and merchants and the task of general economic reconstruction was delayed and made much more difficult. Bearing that situation in mind, we must guard against similar difficulties being superimposed upon the serious problems which will confront us all when we have won this struggle. When that time comes our aim should be the re-establishment of a system of international trade through which commodities for peaceful purposes may flow more freely than ever before. In such a system each country would find for itself and its nationals the opportunities for economic and social progress which this world affords with its inexhaustible wealth of resources and the human skill and ingenuity necessary for their development.

CANADA FACES CONFLICT

If we can avoid the manifest errors of the past, face courageously the facts of the present and emulate the fortitude, endurance and spirit of sacrifice daily and hourly exhibited by our valiant British kin, consecrating unstintedly our energies and resources to the prosecution of the war, Canada will have done her part in this great conflict waged by our Empire for the ideals of human liberty and the preservation of Christian civilization throughout the world.

Banking

Current Loans Higher On War Borrowing

Borrowing By Manufacturers to Finance Government Orders and Elevators to Build Storage Space — Savings Deposits, Investments Down

Effect of war on the Canadian banking operations is reflected in the return of the chartered banks to the Minister of Finance as at Oct. 31 by an increase in current loans and a decline in savings deposits. Investments also were lower.

The rise in current loans generally is attributable to war business. Some of these loans are to finance inventories and manufacturing operations. Manufacturers working on war orders frequently have to wait considerable time before they receive payment. This, it is believed, is due to the necessity of the Government inspection of the various materials and equipment supplied and general official routine in passing accounts, etc. In the meantime, of course, the manufacturers have to pay wages and cost of raw materials. Accordingly they borrow from the bank until they get their cheque from the Government.

Another important reason for the increased demand for bank loans is the large wheat crop and the need of more elevator space. Considerable money has been borrowed this year to build temporary storage facilities for the elevator companies. In the aggregate, loans for this purpose are said to be substantial.

Investments generally are lower, the total showing a reduction of $44 millions from the previous month and $142 millions from last year. This has been the direct result of the larger employment of bank funds in loans. The bank have sold some of their investments to get money to lend out to business. Investments were down from the previous month in long-term Dominion Government foreign, municipal and corporation securities. Holdings of Dominion Government short-term securities were slightly higher.

Effect of the first and second war loans was reflected in a decline in savings deposits which were down $55 millions from the previous month and $109 millions from last year. This, and additional cash from other sources, however, was lent to the Dominion Government and is shown in an increase in Government deposits of $100 millions over last year. Compared with a year ago, however, Dominion Government deposits are about $72 millions lower. In Oct., 1939, the Dominion had borrowed $200 millions direct from the banks on short-term notes.

Other changes shown in the statement are: a decline in loans abroad and a slight gain in Canadian call loans.

With loans in Canada increasing while deposits were lower for the month and only slightly higher than a year ago, The Financial Post Credit Index was higher than either in the month previous or 1939.

Use of Bank Credit in Canada
(In Millions of Dollars)

	October 1940	September 1940	Change	October 1939	Change
	$	$	$	$	
Loans	1,178.5	1,139.0	+39.5	1,136.7	+41.8
Investments	1,519.5	1,563.4	—43.9	1,661.7	—142.2
Total	2,698.0	2,702.4	—4.4	2,798.4	—100.4
Deposits	2,540.7	2,658.9	—118.2	2,530.9	+9.8
Credit index*	41.9%	38.4%	+3.5%	39.7%	+2.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

	October 1940	September 1940	Change	October 1939	Change
	$	$	$		$
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	6,033,837	5,654,297	+379,540	4,550,215	+1,483,622
Bk. of Can. notes	82,477,135	81,793,929	+683,206	65,735,229	+16,741,906
Bk. of Can. depos.	221,680,864	231,339,038	—9,658,174	234,119,630	—12,438,766
Bank's cash	310,191,836	318,787,264	—8,595,428	304,405,074	+5,786,762
Other banks notes	3,289,274	4,877,515	—1,588,241	5,301,922	—2,012,648
Gold & sub. coin abd.	4,107,118	4,083,538	+23,580	5,833,518	—1,726,400
Foreign banks	189,954,836	177,087,050	+12,867,786	223,796,433	—33,841,597
Foreign curr.	28,835,634	30,009,585	—1,173,951	34,299,647	—5,464,013
Gov. sec. short term	715,507,782	707,634,477	+7,873,305	617,406,482	+98,101,300
Do., long term	567,473,036	600,914,681	—33,441,645	736,380,643	—168,907,607
Call loans abroad	42,539,880	50,908,928	—8,369,048	46,243,418	—3,703,538
	1,861,899,396	1,894,303,038	—32,403,642	1,973,667,137	—111,767,741
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	86,457,118	88,812,030	—2,354,912	97,913,655	—11,456,537
Public secs.♦	49,070,289	55,896,553	—6,826,264	82,296,635	—33,226,346
Other secs.	101,031,125	110,197,055	—9,165,930	127,730,008	—26,698,883
Can. call loans	40,933,817	37,183,091	+3,750,726	53,444,624	—12,510,807
Current loans	1,024,278,286	983,041,761	+41,236,525	952,296,669	+71,981,617
Loans abroad	126,245,970	127,869,111	—1,623,141	147,662,618	—21,416,648
Prov. loans	13,967,670	14,612,581	—644,911	18,454,726	—4,487,056
Mun. loans	99,366,176	104,209,058	—4,842,882	112,567,923	—13,201,747
	1,541,350,451	1,521,821,240	+19,529,211	1,592,366,858	—51,016,407
OTHER ASSETS					
Non-current loans	7,063,418	7,715,997	—652,579	8,910,329	—1,846,911
Real estate	7,277,262	7,432,342	—155,080	7,749,800	—472,538
Mortgages	3,658,545	3,805,069	—146,524	4,056,479	—397,934
Premises	71,093,520	71,679,086	—585,566	72,393,072	—1,299,552
Letters of credit	68,047,529	65,253,692	+2,793,837	54,027,666	+14,019,863
Loans to comp.	11,220,195	10,839,904	+380,291	11,461,684	—241,489
Other assets	1,946,126	2,174,057	—227,931	1,842,529	+103,597
	170,306,595	168,900,147	+1,406,448	160,441,559	+9,865,036
Total	3,573,556,442	3,585,024,425	—11,467,983	3,726,475,554	—152,919,112
Note circ. dep.	4,826,410	4,823,341	+3,069	5,062,570	—236,160
Int. bank bal.	132,693,287	138,625,525	—5,932,238	120,929,507	+11,763,780
Gross	3,711,076,139	3,728,473,291	—17,397,152	3,852,467,631	—141,391,492
LIABILITIES					
To the Public					
Circulation	91,624,793	92,558,303	—933,510	93,310,451	—3,685,658
Dom. Govt.	176,379,820	76,149,043	+100,230,777	248,842,547	—72,462,727
Prov. Govt.	60,491,202	64,786,264	—4,295,062	57,612,714	+2,878,488
Deposits by Public					
Demand dep.	941,278,748	1,003,895,110	—62,616,362	821,717,078	+119,561,670
Savings dep.	1,599,463,510	1,654,968,286	—55,504,776	1,709,156,774	—109,693,264
Total	2,540,742,258	2,658,863,396	—118,121,138	2,530,873,852	+9,868,406
Foreign dep.	405,307,597	403,331,994	+1,975,603	492,271,567	—86,963,970
Due to Banks Abroad, Etc.					
United Kingdom	29,073,025	24,359,072	+4,713,953	20,081,606	+8,991,419
Foreign	26,900,012	25,609,361	+1,290,651	41,347,330	—14,447,318
Bills payable	52,788	158,819	—106,031	417,696	—364,908
Letters of credit	68,047,529	65,253,692	+2,793,837	54,027,666	+14,019,863
Other liabs.	4,601,790	4,218,599	+383,191	4,384,254	+217,536
Total pub. liabs.	3,403,220,814	3,415,288,543	—12,067,729	3,545,169,683	—141,948,869
Due bet. banks	12,714,407	10,475,030	+2,239,377	11,423,524	+1,290,883
Liability to Shareholders					
Dividends	2,782,540	1,501,321	+1,281,219	2,739,630	+42,910
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,697,967,761	3,706,514,894	—8,547,133	3,838,582,837	—140,615,076

♦Other than Canadian.

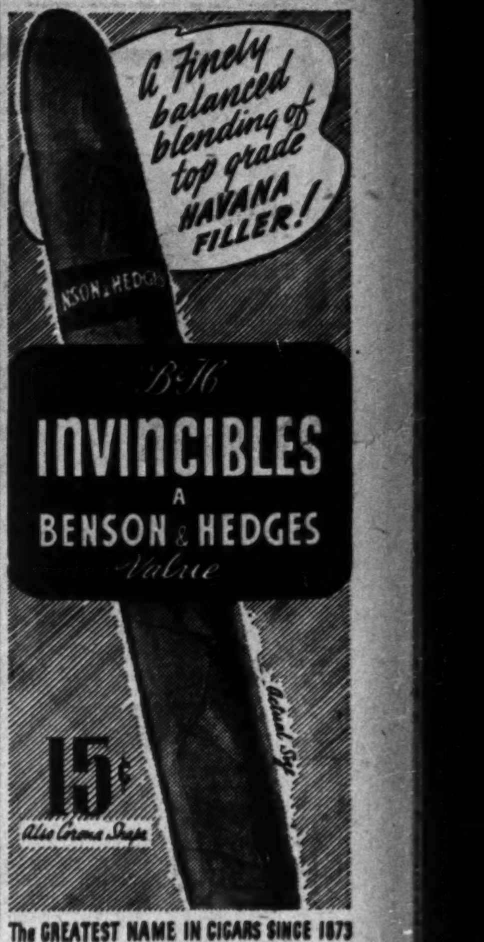
INTER-STATE ROYALTY

From Our Own Correspondent

MONTREAL.—Inter-state Royalty Corp.. advises Montreal Curb Market that at Nov. 30 investments in oil royalties had a book value of $1.1 million. Gross revenue from royalty income since acquisition totalled $485,926 to Oct. 31. Reserve for depletion totalled $133,630. In October gross royalty income amounted to $3,703, while cumulated royalty income for 1940 to the end of October amounted to $42,889.

Weekly Bank Clearings

	Dec. 5 1940	Change Year Ago	Nov. 28 1940
	$	%	$
Halifax	3,947,705	+22.6	3,097,318
Saint John	2,238,748	+4.1	1,973,963
Moncton	1,073,221	—3.7	997,232
Sherbrooke	851,022	—0.3	882,850
Quebec	6,349,526	+36.6	4,968,220
Montreal	144,433,998	+17.7	115,829,487
Ottawa	52,909,695	+58.6	45,550,237
Kingston	754,385	—1.5	579,918
Peterborough	715,849	—0.01	566,948
Toronto	173,266,842	+32.1	104,181,439
Hamilton	7,075,801	+18.4	5,578,338
Kitchener	1,338,596	—1.3	1,110,860
Brantford	1,107,910	—2.0	928,247
London	3,445,563	+4.1	2,394,688
Chatham	743,401	—1.8	640,592
Windsor	3,502,923	+20.9	2,283,078
Sarnia	582,365	—7.7	419,832
Sudbury	1,048,306	—12.3	1,138,490
Fort William	990,536	+11.0	872,252
Winnipeg	62,533,141	—17.3	46,476,617
Brandon	474,835	+17.7	394,036
Moose Jaw	902,108	+24.0	674,198
Saskatoon	1,827,567	—3.3	1,476,925
Edmonton	4,844,463	—2.0	4,427,762
Lethbridge	608,723	—7.7	530,614
Medicine Hat	392,772	+38.7	323,010
N. W'minster	757,986	+7.4	791,514
Vancouver	20,675,225	—2.1	18,195,255
Victoria	1,974,740	—3.0	1,908,851
Calgary	6,948,393	—16.5	6,779,360
Prince Albert	483,083	+13.9	442,991
Regina	5,926,119	+9.0	5,256,342



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The Excess Profits Tangle—3

Inventory Reserve Inadequate

General Criticism of Method in Dealing With Necessary Increases and Decreases

Inventories are essential to any manufacturing enterprise — and to many other types of business as well. But primarily, they are required for manufacturing or merchandising. Because of the longer term involved in turning over goods, it is the manufacturer who ordinarily has to figure farthest ahead.

Wartime is normally a period of rising prices. It is also a period of rising general scale of industrial activity. These two factors, the latter much more noticeable in Canada to date in this war, both mean higher inventory values.

If prices go up, then the money value of inventory is higher, even if the physical quantity involved has not changed.

If business activity speeds up, the physical quantity of goods in inventory increases proportionately. Thus again inventories rise.

Thus there are two ways in which inventories will normally increase during wartime.

Recognized by Act

The Excess Profits Tax recognizes that inventories may become inflated during wartime and deflated when the war is over. But the extent and manner in which it recognizes this fact meets criticism from many sides.

Section 6 (b) of the Act provides as follows in a list of allowable deductions from taxable income:

"Such reasonable provision as a reserve against future depreciation in inventory values as the Minister, in his discretion, may allow, having regard to a basic quantity of stock-in-trade necessary for the business as indicated by the quantity on hand at the end of the fiscal period of the taxpayer ending in 1939: Provided that no such deduction shall be allowed which provides against a decline in inventory values below the inventory prices of goods on hand at the end of the fiscal period of the taxpayer ending 1939; and provided further that any reduction in such reserve shall be added to the profits for the year of reduction for purposes of taxation under this Act."

Now this so-called inventory reserve is further explained to be "strictly a discretionary allowance which the Minister may give." Then it also is "limited in application and limited in amount."

Only at Highest Tax

Under these limitations, the first is that the taxpayer must be taxable at the maximum 75% rate to qualify. Those companies taxable on any other rate—including those given special consideration—may not provide such a reserve, no matter to what their inventory may rise.

Then it is stated in the explanatory brochure applying to the E.P.T. that

"it is substantially limited to a reserve applied to a basic quantity of stock-in-trade, as indicated by the quantity on hand at the end of the 1939 fiscal period." The reserve is restricted to "such amount as will bring the said basic quantity down to the pre-war price level. As and when the actual price descends toward the pre-war price and the reserve is consequently written back, the reduction in the reserve necessary must be added to the profits of the year of reduction."

Said Confusing

More than one company reports that the explanation is confusing and may be interpreted in at least two ways. A leading company asks if the provision means that

"the Minister has the power to allow a reserve upon the whole inventory equal to the difference between the book value of the inventory at the end of the fiscal year concerned and the value of the whole inventory as of the end of the fiscal year ending in 1939 or, is his discretion limited to an allowance equal to the difference between the book value of the quantity of inventory on hand as of the end of the fiscal period concerned, in excess of the quantity on hand at the end of the 1939 fiscal period, and the value of such quantity at prices prevailing as of the end of the fiscal period ending in 1939."

At least three other large companies have expressed their views that this section of the Act is ambiguous. It is pointed out, for instance, that inventories can rise in book value substantially without any increase in physical quantity as a result of price changes. Such an increase in book value, they maintain, is just as dangerous to the post-war welfare of a company as is the increase in book value resulting from larger physical quantities on hand. They are wondering if only one of these factors will be considered.

Risks Emphasized

How risky inventory changes can be is being emphasized on all sides. Industry wants to have clarified just how it can protect itself. It does not want to find wartime profits more than eaten up by post-war deflation. Moreover, it is pointed out that taxes have to be paid in cash. Such payments may easily mean serious embarrassment to a company when the post-war adjustment period arrives, if it finds the company without actual liquid reserves on which to call.

H. T. Jaffray, president of the Canadian Bankers' Assoc., referred to the problems of inventory values in his presidential address. He claimed that the present tax gives little opportunity to set up proper reserves against the heavier inventories necessitated by the increased volume of business. He added:

"It seems to me that the Government in assessing for taxation should take this factor into consideration, as it would be regrettable indeed if, after the war, the businessmen of the country were faced with the necessity of reducing these inventories and, with inadequate reserves against them, a situation of deflation with its accompanying suffering and unemployment were brought about even where there had been no inflation."

Then more recently, G. W. Spinney, joint general manager of the Bank of Montreal, told shareholders that:

"The financing of abnormal inventories carried for purely speculative purposes in the expectation of rising prices would be equally against the interests of the banks, their customers and the public generally.

"Not only would such operations contribute to inflationary price increases and to artificial market conditions for the commodities concerned, but they would inevitably store up trouble for the future. The experience of the last war, and also of the speculative boom of the late twenties, provides painful reminders of fictitious liquidity and of profits which became heavy losses overnight. So far there is little evidence of any recurrence of such speculation, but the danger is inherent in the intense activity which lies ahead, and, as the banks are strategically situated to discourage it, we feel we have a special duty to bear it in mind."

Power Corp. Group Output Lower

Low Water Conditions Affect Returns, Especially Southern Canada

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada and affiliated companies report a power output in October of 208.6 million kw.h. This compares with 221.4 million kw.h. for October last year, a decrease of 5.7%.

Aggregate output of the different units for four months ended Oct. 31, 1940, amounted to 790.5 million kw.h., compared with 841.6 million kw.h. for the like period a year ago, a decrease of 3.8%.

Returns by Companies

October output by individual companies compares in kilowatt hours as follows:

	1940	1939
South. Can. Power	18,782,290	26,122,450
Can. Northern	61,698,945	64,327,584
East Kootenay	9,367,952	8,244,920
B. C. Power	58,473,917	53,191,684
Northern B. C.	1,145,514	994,424
Winnipeg Electric	59,183,300	68,516,900

DOSCO COAL OUTPUT

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports production at Cape Breton and Springhill collieries in November of 423,838 tons, against 450,044 tons in October and 451,077 tons in Nov., 1939. In the year to Nov. 30, production increased 431,196 tons to 4.6 million tons, compared with the same 11 months last year.

Toronto Trading Up in November

Year's Volume Less Than Half That of Preceding Year

Trading volume and values increased on the Toronto Stock Exchange during November, making it the best period in six months. Total shares traded were 7,872,606, an increase of 2,204,903 over October. Despite November's increase, however, shares for the first ten months of 1940 at 67,301,270 represented a decline of about one-third from the corresponding period of 1939.

Values of transactions for November at $11.2 millions were similarly increased over recent months, but as with the shares traded, the values for the first 10 months of this year at $122.8 millions were less than half those for the corresponding period of last year.

Junior Golds

November's increase resulted largely from the widespread activity in the junior gold mining issues. As represented by the Exchange's gold index figure, the gold shares on November 12 were at their best level since early May when the index reached 112.70. In November this index recorded a net gain of over three points at 105.43. Industrial stocks and western oil shares, as measured by the index figures, were practically unchanged at the close after making moderate gains during the first two weeks, while base metal stocks finished slightly lower.

Quoted market value of all stocks listed at the end of the month totalled $3,909.5 millions, a decrease of some $38 millions from the end of October. The decline was principally owing to a decrease of $40 millions in aggregate market valuation of the base metal shares and a drop of $27.3 millions in market value of the major oil stocks. Lesser declines were registered by agricultural, manufacturing, milling, motors and allied and textile divisions, the drop in these groups ranging from $70,000 in the motors to $8.3 millions in manufacturing.

Other Gains

Partially offsetting the declines in market values was a gain of $17¾ millions in the combined gold groups. Other divisions to record gains in market values were the amusement, construction and steel, finance, foods and allied, liquor, miscellaneous industrials, miscellaneous mining issues, paper and utilities. Gains in these divisions ranged from $20,000 in the papers to $7.2 millions in the constructions and steels.

Member borrowings of the Toronto Stock Exchange as of Nov. 30 were $10.1 millions, an increase of $730,171 from the previous month. Ratio of borrowings to quoted market values amounted to decimal 26 of 1% compared with decimal 20 of 1% a month ago.

Man's 2-Suit Aeropack, Aeroflyte Case and Streamlined Gladstone. *

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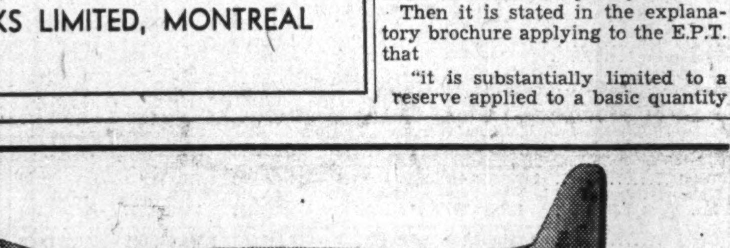

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Plan now to use your Empire travel dollar for relaxation or for personal business contacts in Nassau following the recent visit of our Minister of Trade and Commerce.

First of these sky cruises will leave Montreal on Friday, January 17, at 12 o'clock noon. Time of departure provides for overnight rail and plane connections from both West and East.

Here is your opportunity for a change and rest this winter for eight stimulating Bahamian days.

And these "travel-in-the-Empire" sky cruises are All-Canadian — payable in Canadian currency.

Only ten cruise parties are planned. Book immediately to assure accommodation.

Easy to get there

- Direct All-Canadian air travel to the Bahamas this winter.
- Eleven hours flying time from Montreal to Nassau in new, luxurious 21-passenger Douglas airliners operated by Canadian Colonial Airways.
- No foreign exchange problems en route or in Nassau.
- The Canadian Foreign Exchange Control Board is prepared to provide any reasonable amount of Canadian funds or sterling to meet incidental expenses while in Nassau.

10 DAYS · $395. CANADIAN FUNDS

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- Transfers to and from airports.

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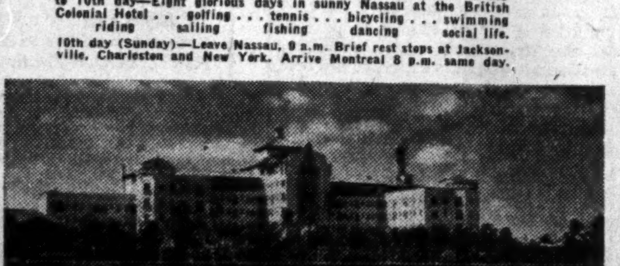
1st day (Friday)—Leave St. Hubert Airport (Montreal), 12 o'clock noon. Pass U.S. Customs at New York airport. Dinner served aloft after leaving Charleston, S.C. Arrive Jacksonville, Fla., at 8 p.m. for overnight stop. Room and breakfast provided at Mayflower Hotel.
2nd day (Saturday)—Leave Jacksonville at 9 a.m. over the Everglades to Miami (11 a.m.) Arrive Nassau, 12 o'clock noon. 2nd day to 10th day—Eight glorious days in sunny Nassau at the British Colonial Hotel . . . golfing . . . tennis . . . bicycling . . . swimming riding sailing fishing dancing social life.
10th day (Sunday)—Leave Nassau, 9 a.m. Brief rest stops at Jacksonville, Charleston and New York. Arrive Montreal 8 p.m. same day.



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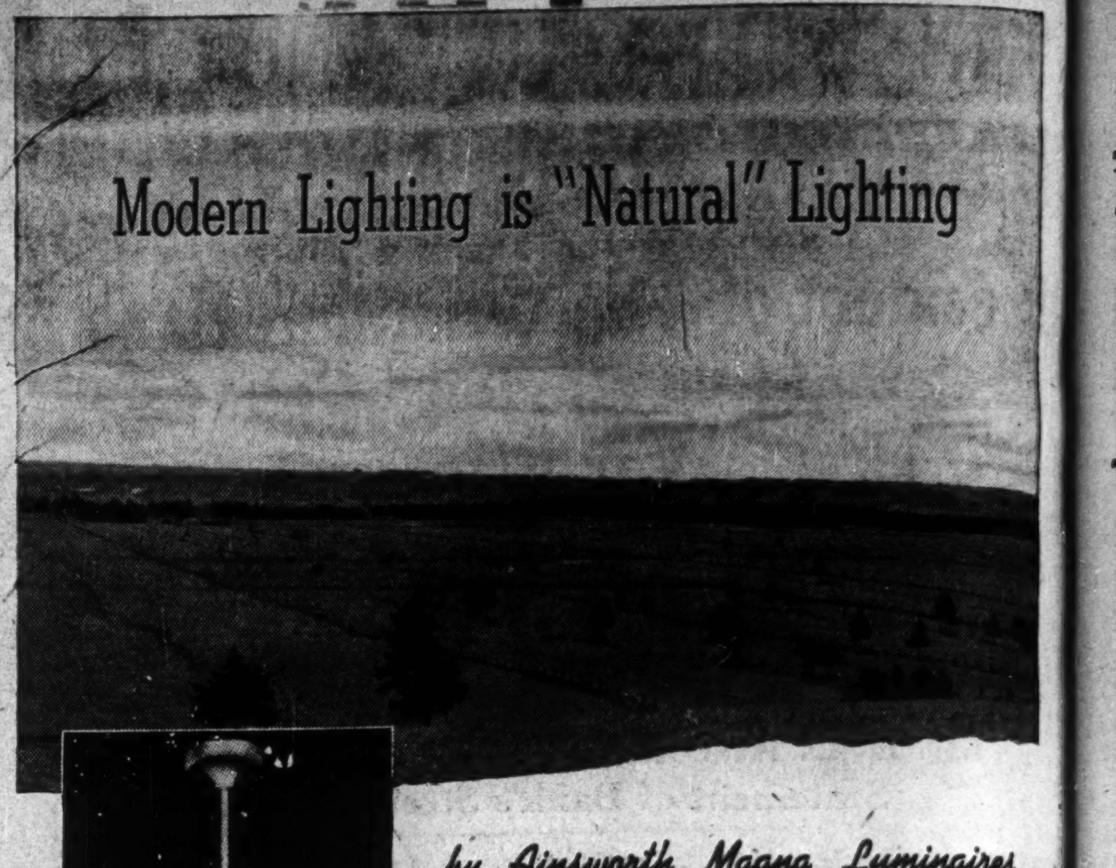

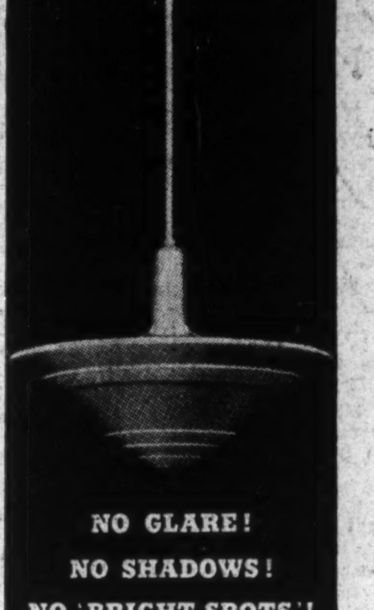

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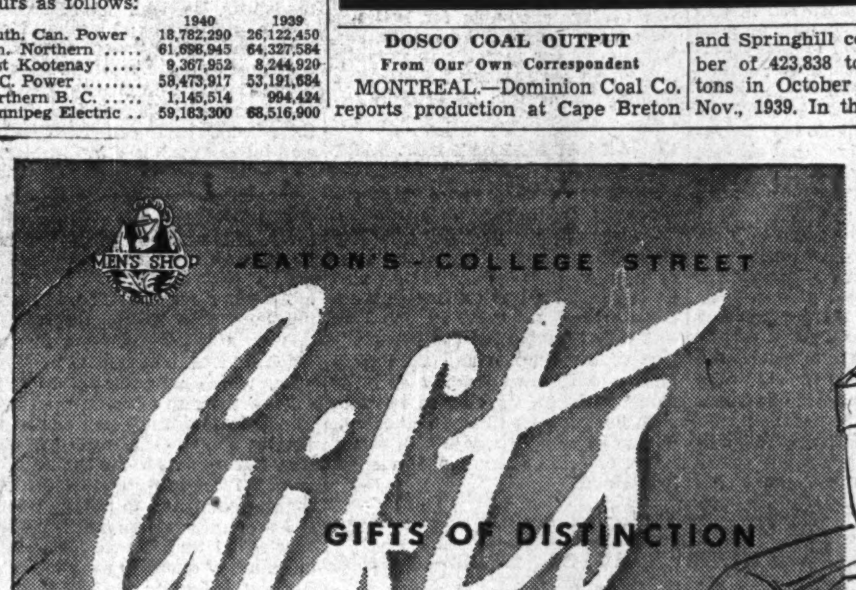

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Canada's New Neighbor — Latin America

The Financial Post staff writer making flying tour of South America—Trade, defense and Nazi penetrations problems to be investigated on the spot for Post readers

By RONALD A. McEACHERN
Staff Writer, The Financial Post

MIAMI.—This city has become a key junction point between Canada and the great markets of Central and South America and the West Indies.

From Miami great winged birds of peace, Pan American clippers, take off for the countries to the South, whose lush markets are beginning to look attractive to Canadian manufacturers, cut off by war from their trade outlets in Europe and a good many other areas.

The Mission

In less than an hour after I finish this article one of these clippers will be departing with at least five Canadian passengers. Four of them comprise the Canadian Government's official Trade Mission under Hon. James A. MacKinnon, Minister of Trade and Commerce.

To represent The Financial Post and its sister publications of The MacLean Publishing Company I have come along with the party, the only Canadian newspaper representative accompanying the trade mission on its tour.

From the capital of several of the chief Latin American countries it will be my purpose to write articles setting forth what I see and learn. More particularly, these articles will discuss trade opportunities in South America and what suggests itself as the right way for Canadian manufacturers and producers to take advantage of those opportunities.

The first rule in selling abroad is to go and see for yourself. But going to "see for yourself" involves a little more official red tape in wartime than under normal peacetime conditions. The Canadian who seeks to travel in South America will find himself going through what may seem an endless routine of getting one's passport viséd, fingers printed and certificates of health and good character signed.

It sounds worse than it really is.

But it has to be done. And so I do not think I can do better than devote most of this first article to recounting the bureaucratic processes that had to be gone through before I could even think of getting aboard the clipper.

Multitude of Formalities

My pocket is almost bursting with an astonishing array of immigration and other necessary documents. The spot on my arm, occasioned by other formalities, is still sore along with my feelings.

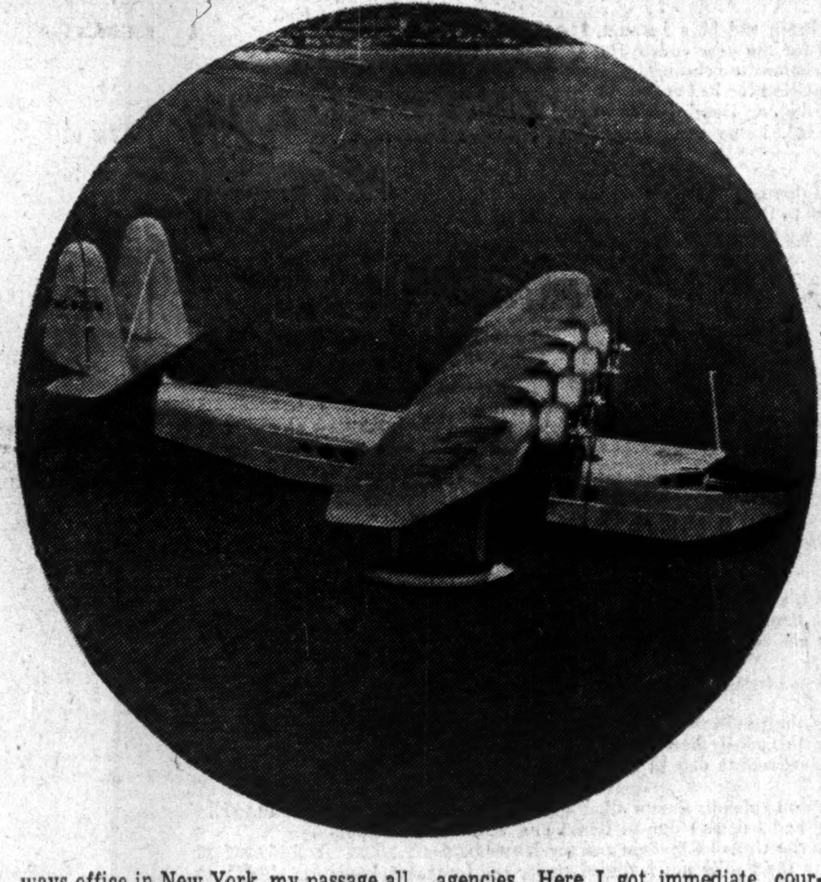
For Canadians the giant airplane has brought all the countries of South America "just down the street," measured in time. But the traditional formalities of government officials have so far paid no attention at all. They are still using sailing ship pace.

The Canadian Department of External Affairs renewed overnight the passport I used in Europe back in 1932. Nothing wrong with that. The U. S. Consular officials in Toronto fixed me up with a visa in 10 minutes. They are all caught up, now that Canadians have got over their early panic about new immigration regulations.

All that part of preparation for the trip was easy. But South America isn't easy. After all, it is made up of more than a dozen countries and colonies, all of them feeling just as important and independent as Canada or the United States; most of them very jealous of their neighbors; some of them almost hostile.

Five days after receiving this assignment to cover South American trade possibilities, I was on my way. Don't try it. Take three months.

Book your airplane passage a long way ahead. You will find certain parts of your passage booked promptly; others with a delay that with utmost charity can be attributed only to Latin languor.



Leaving Toronto last week, Ronald A. McEachern of The Financial Post staff is now on a tour of South America, accompanying the special Canadian Government trade mission. Most of the trip will be made by air in giant Pan-American Airways planes — one of which is shown at the right. Above is a view of the P.A.A. Airport at Miami, start of the air tour.

You may have a perfectly good vaccination mark, but get vaccinated again. If your old vaccination is still good—protecting you against the now almost non-existent (in Canada) smallpox, the only effect will be a reddish pimple and no headache.

Have your doctor give you a clean bill of health. The South Americans don't seem to read our health statistics. Have him certify that you are free from trachoma, which is a serious eye disease common in some parts of the south.

Get letters from your doctor about the vaccination and the general health, take them to your local public health doctor and get half a dozen copies signed by him and stamped with the great seal of your municipality. Great seals are important in some parts of the world.

Police and Passports

Next move is police headquarters. How's your criminal record? On payment of $1 I received two little bits of paper—my fingerprints taken on the reverse—again with official seals proclaiming my lack of discovered crime as a citizen. You need at least five of these, and the police—at least in Toronto—will give only two—so the other three have to be photostatic copies.

Get at least a dozen passport photographs, full-face. Some countries won't take profile poses.

Get at least four letters, each with one carbon copy, from an executive of your firm stating the purpose of your journey, your character and financial responsibility.

Now, with passport and U. S. visa (on which you have imprinted your thumbprints), your wallet full of documents, you are ready for the really tough part of the job of visiting South America: getting visas. Here's why weeks of preparation are advisable:

When I arrived at Pan American Airways office in New York, my passage all booked for a complicated schedule of two months, they threw their hands in the air and said everything was off. I had my visas to get—at least four of them—and that, they gloomed, was at least a week's work, perhaps two.

I said to them that I was sorry but I had one day and a couple of hours extra to get all the visas and I intended to get them.

At the Chilean Consulate in New York a chill brunette asked me to come back in a couple of days and my visa would be ready. With very un-Latin grace I wheedled her into doing a "special favor," etc., and, after three quarters of an hour, her two chats with an official and/or the boy friend, I got permission to spend less than a week in her country's fabled cities of Santiago and Valparaiso. That cost $8.75.

More Red Tape

At the Argentine Consulate, in the same building, two clerks took turns saying, "He's busy" as I waved my passport. "He" turned out to be a young man conferring with other members of the staff. I overhead the conversation. It was about a baseball game.

Waiting some more, I started to wheedle, coax and protest and finally got "Come back for it next week."

Nevertheless, some of the noise and words I learned in football seemed useful. In 10 minutes I had my visa. Cost $6.80.

Brazil had something the travel experts hadn't warned me about. All the medical certificates I could bring from Toronto wouldn't satisfy them. I had to go off, find a doctor in New York and have him certify that I, "a Jornalista, did not present symptoms or manifestations of leprosy, tuberculosis, trachoma, elephantiasis, venereal disease in contagious period, cancer, mental affection, or that he or she is not an alcoholic or drug addict."

The Brazilian warned me especially not to fold certain documents he gave me. "That is extremely important," was his final word. All of which cost $10 for the visa, $3 for the extra doctor's certificate.

The Peruvian Consulate was in pleasing contrast. Whether it is native courtesy or a good public relations sense, I have yet to find out, but in good advertising for their country they are doing a million-dollar job—far better than all the posters that can be hung in travel agencies. Here I got immediate, courteous treatment, a chair to sit on. A magazine was proffered for the five minutes it took to complete the forms. Finally a handshake and a hope that I would enjoy my visit in Peru sent me away happy. Cost $12.

I have retailed these stories at length because the tourist trade is one of Canada's biggest assets and because a country's representatives, whether they be high officials abroad or humble immigration men opening suitcases on our borders, are the best salesmen we have.

I am anxious to get to Peru because the consul's clerk made it easy and pleasant. First impressions count, above all in travel.

Canada's first diplomats are the men on our borders. Canada is spending millions of dollars on advertising to bring visitors into the country with their vital foreign exchange. Good business requires firing every customs, immigration and consular man who does not make the visitor anxious to meet more Canadians.

But here's another vital angle: The world isn't made up entirely of Canadians; it has an infinite variety of peoples. After I got over being annoyed at the clerks I realized that I was making just a typical blunder most Canadians make when they travel. The Canadian wants other people to be like he is, think and act the same way, speak his language, eat the same food and live the same way. In the seven hours that I consumed at the four consulates, the angriest hours of my life, I was being thoroughly Canadian in wanting things done my way—and fast.

People who know South America well have emphasized to me that above all Canadian business generally has yet to learn to play the South American rules, like them or not, has to beat the Germans at their own game of accepting other people's methods, adopting their likes and dislikes.

There are other things I might have told; all the things one has to know about the clothes to take, the baggage to carry (78 lb. was the limit assigned to me and it's amazing how quickly clothing mounts up to 78 lb.). But one learns about these problems by living them. In a later article I'll try to pass on what I learn about how to dress and pack for a two-months' airplane trip to South America.

Vital Foreign Trade

Canada is the world's fourth greatest trading nation, but it is generally admitted she has won that place more by the fortunate accident of her own wealth in natural resources than by the hard-hitting foreign salesmanship of the large body of her businessmen.

Foreign trade is vital for our national welfare and growth in peace. In the world today it is the very sinews of war. For war demands a strong, prosperous economy at home, building on the widest possible foundations; taking the economic offensive where the enemy is trying—and apparently has in dangerous measure succeeded—in gaining a foothold.

Since the outbreak of war Canada's trade with South America has increased by over 60%. With some countries, notably the Argentine, Chile and Uruguay, it has doubled. At the same time Canada has lost important markets and suffers new forms of competition.

South America has recently been giving various distinct evidences of interest in enlarging trade with Canada. The United States has been driving hard to develop this southern market for herself. The South American peoples know that there really exists a beam of good neighbor policy stretching not just from Washington but from Ottawa. All those things have helped decide the Canadian Government to send the present mission, combining in its personnel the most prestige, experience and knowledge ever to pay an official trade visit to South America.

Here, briefly, is the itinerary: Nassau, Jamaica, Colombia, Panama, Peru, Chile, Argentine, Brazil, Trinidad and Cuba. There will be stops of several days in the principal cities, almost stratospheric flights over the towering Andes, uneasy-sounding hours of flight over the worst jungles in the world, a host of officials, businessmen and local celebrities to meet at every halt and, above all, a vast amount of fact-finding to do.

The Mission has already been to Nassau. I did not join them on that part of the trip. The next stop is Kingston, Jamaica.

The members of the Canadian Mission have been taking a snack of breakfast in the airport restaurant. The clippers travel only by day and we have to leave at 6.30. Mr. MacKinnon is tall, grey and smiling. L. Dana Wilgress, deputy minister, has his very fat-bowled pipe going double time against the little while during take-off he will have to do without it. Yves Lamontagne, the French-speaking member of the party, formerly Canada's trade commissioner in Belgium and before that in Cairo, who is now Canada's Director of Commercial Relations, is having an extra coffee with G. R. Smith, trade technician with the party.

The four engines of the mighty clipper that will start the Mission to South America on its 22,000-mile journey are already droning from over near the hangars. In less than an hour we will be zooming off over Biscayne Bay southward into the vast unfamiliar sister continent regarded by many as the great remaining frontier for new trade and opportunity.

Ronald McEachern's eight weeks, 22,000 mile tour of South America will cover a dozen different countries, twice as many big key cities. Black line shows main route. Most of travel will be by plane.

Canada Looks South

Latin America is now a world area of first-rate importance to Canada. It is not just a distant, romantic land of jungle and pampas, and tangos.

There are jungles and pampas in South America, but there are also millions of industrious people who are now looking to Canada to supply large portions of their imports formerly secured from Europe.

Since the war these South Americans have upped their imports from Canada by over 60% and their demands are still far from satisfied. They are interested in Canadian manufacturers, Canadian foods and Canadian raw materials.

But trade is only one part of this amazing South American story. The world has grown smaller since 1914. Then our defense problem was a matter of Northern hemisphere interests only. Today successful defense must embrace the whole western half of the globe. Canada as well as the United States is vitally concerned with the protection of the Caribbean, the hot south Atlantic and the placid Pacific.

This week The Financial Post publishes the first of a series of articles on Latin America, by a member of its own staff, Ronald A. McEachern. He is accompanying the special Canadian Government trade mission on a 22,000-mile flying tour.

Mr. McEachern is an able observer and writer whose articles have been a weekly feature of The Financial Post for several years. His first despatch, published in the adjoining columns, deals vividly with the passport hurdle, and other time-eating, temper-creating red tape that faces the traveller to the far south.

Ronald A. McEachern, representing The Financial Post and sister publications of the MacLean Publishing Company with the Canadian Government trade mission's tour of South America.

"With Governmental Efficiency Equal to That in an Average Business, Should Canada not have had a Surplus Rather than a Deficit?"

70th Annual Meeting of Shareholders THE DOMINION BANK

Fifty Years Operations of Canadian Banks Show Commendable Results

President C. H. Carlisle and General Manager Robert Rae Address Annual Meeting of The Dominion Bank

Increase of $15,700,000 in Commercial Loans Reported by General Manager

Bank Well Equipped to Meet War Requirements

At the 70th Annual Meeting of The Dominion Bank held at the Head Office in Toronto, on Wednesday, December 11th, the President and the General Manager addressed the shareholders.

The President, Mr. C. H. Carlisle, was in the chair.

THE ADDRESS OF MR. ROBERT RAE, GENERAL MANAGER

The Secretary of the Meeting has just read to you a statement showing the amount of the Bank's profits and the disposition made of them. After paying the Dividend, making a contribution of $85,000 to the Officers' Pension Fund, writing $150,000 off Bank Premises, providing $370,165 for Dominion and Provincial Government taxation, an increase of more than $105,000 over the amount for the previous fiscal period, the Profit and Loss Account was increased by $23,788 and now stands at $861,188.

Referring to the Statement of Assets and Liabilities, which you have before you—Notes of the Bank in Circulation are $4,761,084, a decrease of $561,087, reflecting the reduction of 5% called for under the Bank Act.

DEPOSITS BY THE PUBLIC

Deposits by the Public not bearing interest, $41,075,839, show an increase of $3,097,156. Deposits by the Public bearing interest stand at $80,622,320, a decrease of $4,713,610. These two items total $121,698,160, compared with $123,314,613 a year ago, a relatively small decrease of $1,616,453, which we consider a favorable showing in view of the fact that during the past twelve months approximately $22,000,000 was withdrawn by our customers for subscriptions to the First and Second Dominion of Canada War Loans. Dominion and Provincial Government deposits total $8,713,357, a decrease of $4,874,026 from 31st October, 1939.

Deposits by and Balances due to other Chartered Banks in Canada and Banks and Banking Correspondents elsewhere than in Canada (principally in England and the United States) total $3,270,542, an increase of $231,441.

Acceptances and Letters of Credit Outstanding total $4,333,305, and are up $1,477,177 from last year, due to increased foreign business of our customers, chiefly for war purposes.

A SOUND LIQUID POSITION

The Cash Assets of the Bank total $28,955,390 and are equivalent to 20.82% of the liabilities to the public. Readily realizable assets, which include Government, Municipal and other bonds, as well as Call and Short Loans, amount to $71,524,716, or 51.43% of the liabilities to the public—a sound liquid position.

The Bank's total investments amount to $38,489,761, compared with $60,649,317 on the 31st October, 1939, and are entered on our Statement at less than market prices. Our holdings decreased $22,159,556 during the year through our disposing of securities to meet the increased demand for loans. The portfolio consists largely of Dominion and Provincial Government issues, of which $21,217,931 mature within the next two years.

Call and Short Loans in Canada total $2,269,722, a decrease of $1,090,707, which reflects the lessened demand for this form of financing. As collateral to these loans, readily marketable stocks and bonds are held and provide adequate margin.

Call and Short Loans elsewhere than in Canada total $1,547,893, a decrease of $851,054. These are day-to-day loans at our New York Agency and London, England, Branch, and are fully secured by first-class securities.

COMMERCIAL LOANS AT HIGH LEVEL

Turning to the Commercial Loans, I am glad to report to you that these show a substantial increase of $15,761,974, and now stand at $74,157,387. This is largely due to the greater amount of money required towards the end of the year to finance the grain crop and the many Government war contracts undertaken by our customers at numerous points throughout the Dominion.

Loans to Cities, Municipalities, etc., stand at $1,247,842, compared with $1,635,966 a year ago, an unimportant fluctuation.

Non-Current Loans total $180,948, down $10,803 from a year ago, which is a very nominal amount in relation to our total loans. Full provision has been made for all possible losses.

THE BANK'S PREMISES

You will observe from the Profit and Loss Account that $150,000 has been written off Bank Premises, the total of which now stands at $5,487,572, a decrease of $81,248. No new buildings were erected during the year, nor was any land purchased. Alterations were made to several of our offices, including Bloor and Bathurst Streets, Toronto. In Hamilton, the ground floor of the building at the north-west corner of James and Main Streets, in the heart of the financial district, has been leased for a new main office; extensive alterations are now in progress and, when completed, the office will be one of the most modern in that City and a credit to your Bank.

During the year a Branch was opened in the Leaside district, Toronto, and our office on Monkland Avenue, Montreal, was closed.

A MOST VALUABLE ASSET

I again wish to express my deep appreciation of the loyal support received from the 1,350 men and women who make up our Staff; they are one of the Bank's most valuable assets. On 31st October last 90 members of our Staff had been granted leave of absence for the duration of the war to serve their Country and since that date more have been given leave for military service. I should like also to pay tribute to the members of our staff in London, England; their devotion to duty under exceptionally trying conditions is most commendable.

While the Empire is engaged in a devastating war, it is a satisfaction to be able to again assure you that your Bank continues in a sound position and is well equipped to provide the industrial, commercial and farming interests of this Country with banking facilities of every nature required for the successful prosecution of the war, which must be the primary objective of each and every one of us.

THE ADDRESS OF THE PRESIDENT, MR. C. H. CARLISLE

As shareholders you are primarily interested in the status of your Bank and in its operations. Your Annual Meeting likely would serve you best if the proceedings of the Meeting were limited to a fuller discussion of the year's operations, the policies of the Bank and the offering of criticism and suggestions which should accrue to its benefit. However, it is the custom in Canada to give rather extensive publicity to these annual meetings and to discuss other and larger subjects that are not directly connected with the Bank's operation. These customs rise to the rank of compulsion—and one wonders what topics are now left of sufficient consequence to warrant a demand on your time and attention.

Referring first to the Bank's operations: the information contained in the Balance Sheet submitted, and the comments on same by your General Manager, indicate its strong position. We might further add that your Bank has provided reserves, in addition to the reserves customarily made, in sufficient amounts to meet any emergency that may likely occur in post-war conditions.

HIGHLY EFFICIENT SERVICE

For a period of more than fifty years the result of the operations of Canadian banks has been commendable. They have given, and are giving, an excellent service. Their loans are made on liquid securities. The Bank Inspection by the Government's Inspector General of Banks, the Shareholders' Auditors and the Bank's own inspectors is highly efficient. Therein lies a factor of great safety in Canadian banking. For some years following 1929 general business and the volume of business were at a low ebb; there was little demand for money, the then current rates of interest were much below the previous average. To employ the Bank's surplus capital it was necessary to invest in securities. At the present time there is a much greater demand for money at better rates; therefore, compared with a year ago, your Bank has reduced its portfolio, or its investments, by twenty-two millions of dollars, and has increased its loans by fifteen millions of dollars. This change accrues to the improvement of the Bank's position. During the last few years losses on loans have been unusually low, and each year there has been an increase in the number and value of customers' accounts.

There has been a revision in the Bank's system of operations which has materially simplified the work, made it more current and more efficient, and has also given a greater freedom of action and placed a greater responsibility on our branch and department managers. This is as it should be.

CANADA A SOUND INVESTMENT

Investors may hesitate, and some have hesitated, in making investments in Canada due to our being at war. They are cognizant of the great toll exacted of us in resources, money and men. But there is another picture of Canada. Her crops are abundant; her granaries are full to overflowing; her mines are producing large quantities of various metals; her factories are at maximum production and many more factories are in process of construction; her forest products are at a high peak of production; her banks are sound and are providing for the requirements of expanding business; her per capita natural wealth is likely greater than that of any other country; her laws are equitable; her courts are of high standing; her laws are enforced; her people are of a creditable level of intelligence, law abiding, resourceful, and meet with courage from day to day the problems that confront them. All of these things are essential to a sound and prosperous nation, where safe investments may be made.

WASTEFULNESS CREATES UNNECESSARY DEBT

While this country has achieved remarkable progress in most things attempted, she cannot boast of a high degree of efficiency in her political machinery and governmental administration. With all of her opportunities she found herself, prior to the outbreak of the present war, with a municipal, provincial and national debt of slightly less than eight billions of dollars. With governmental efficiency equal to that in the average business should she not have had a surplus rather than a deficit? For years prior to this war she was increasing year by year her debt instead of decreasing it. Some of the causes contributing to our utterly unnecessary debt are: the establishment of ten separate governments to govern eleven millions of quite intelligent and law abiding people; the constructing of luxurious and expensive public buildings and the maintenance of same to house an unwarranted number of officials and a retinue of staff; the payment of large sums of money for projects that were not essential to the people's interest although, no doubt, of political value. We trust that these practices are in the past. We cannot longer endure them. We have an opportunity now to correct them and we should see to it that they are corrected. From coast to coast our people must have taken on a new courage when Prime Minister Mackenzie King issued an invitation to all the Provincial Premiers to meet him in Ottawa to assist in creating a new order, a better condition. It must be kept in mind, though, that the remedy does not consist merely in the shifting of debt from one geographical area to another, but in the elimination of duplication and waste.

SHOULD MODERNIZE B.N.A. ACT

There can be no doubt that Britain would readily and gladly give her consent to any and all changes requested, that make for economy and betterment. The elimination of duplication and multiplication of work, reducing to one-half the number of people now in government, should save millions of dollars to the tax-payers of this country and give them more efficient administration. In such saving no province should fear discrimination or loss, as every province has in our governmental institutions a representation proportionate to its population. As citizens and regardless of political affiliation we should lend every aid to both the Dominion and the Provincial Governments to revise the B.N.A. Act, to bring it in keeping with our current requirements, to simplify to the nth degree the operations of government, to reduce costs not only within our ability to sustain but within our ability to liquidate.

There is little information that could be added to what you already know as to the serious conditions in Canada and the British Commonwealth, brought upon us by the present war. Canada is setting about to measure up to her responsibilities. The cost is tremendous. She will carry on as long as her manpower and her resources permit.

CHURCHILL LEADS HEROIC PEOPLE

The Battle of Britain has already won its honorable and pre-eminent place in history. History indeed may never record a greater courage, greater hardships and suffering more heroically endured than the British people have shown in this now famous battle. The biography of Prime Minister Churchill will be outstanding among those of statesmen, and will ever reflect a high intelligence, a penetrating analysis of the things to be done, a courage undaunted, a decisiveness of action, and a just and kindly consideration for all.

Hitler and Mussolini, each of them devoid of all those qualities which make for the just governance of nations and the betterment of human beings, gloating in self pride and cruelly selfish ambition—it is to free ourselves and others from these men and their inordinate and brutal demands that we fight and sacrifice.

MUST FACE POST-WAR TASKS

When war ends, as it will, our work will not end. A great task will confront us—likely greater than any heretofore imposed upon mankind. No one now can accurately visualize or evaluate post-war conditions, but we must face them and solve them. It is to these conditions we must now give some heed. We cannot enter this period unprepared and achieve success. We were wholly unprepared for this war when it came and you know the price we are paying, and the dangers we are facing. It is equally the responsibility of the individual and of governments to join in a common effort to see, insofar as we can at this time and chiefly by the resolute elimination of waste, that all our essential activities meet post-war conditions well equipped and adequately financed. The individual must not be crushed by the burden of taxes, the absence of profit, unemployment and the embarrassment of the dole until all hope is gone. This can be averted if taken in time. The remedy, as I have said, lies largely in a drastic economy—both individual and national— a greater production, a greater foreign trade.

LARGER TRADE WITH SOUTH AMERICA

We can no longer enshroud ourselves in the cloak of nationalism. Our hope lies in internationalism. We can no longer wait for trade to come to us. We must develop it. Much of the wealth of the world is contained on this continent—a great part of it undeveloped. This is especially true of Latin America. What has Canada done to share in the trade or the development of new trade in these countries? Practically nothing. Of the one and one-half billion dollars of their yearly exportable goods, we have purchased an infinitesimal amount. We supply but few of their imports. Before the war Brazil's monthly imports averaged twenty-one millions; Chile, one of the less important states of the group, imported monthly five millions, and these imports were all of the necessity class. This is the story of all other Latin-American countries. In the last few days we learn that Canada is to send to Latin-America diplomatic representatives; these, if their mission is to assist trade and thus add to our exports, should be helpful. If such be the purpose this action is constructive. But if there is to be any stability to our trade with South America we must buy as well as sell. South America produces much that we can use and should purchase. She is capable of developing a much greater variety of goods than she now produces. At this time Brazil has on hand certain commodities in larger quantities than the market will absorb—for instance, coffee and corn. That country is burning corn for fuel and out of this year's crop has already burnt ten million bags of coffee and in addition has a surplus of about ten million bags. We likely could take more of this coffee and more of this corn, and Brazil could direct her labor into other productive channels and grow less corn and coffee. Her valuable timber areas could be developed. Her rare hardwoods should find a market in United States and Canada.

CANADA'S NEGLECTED OPPORTUNITIES

Brazil is the home of the Hevea, or rubber tree. Rubber growing could have been a real industry there, even if it required the importation for a time of some skilled Dutch East Indian labor. Had this been done, Canada and the United States would be now buying from her annually one and one-half billion pounds of rubber at a present value of three hundred and thirty millions of dollars, and these amounts would be ever increasing. Our supply would then be dependable—our trade relations would be better. All the great rubber plantations of the Far East owe their origin to Brazil. Multi-millions of western money have been and are invested in Far East plantations. This investment is now in jeopardy and our supply of rubber requirements is in doubt. Without going further into this matter, Latin-America affords a great opportunity to the United States and Canada for trade and mutual industrial helpfulness. We have neglected this opportunity. Some European countries have not. The people of South America travel in Europe, educate their children in Europe and are seldom seen in Canada or the United States. If this continent is to be unified under the Monroe Doctrine and avail itself of its own climatic and geographical advantages, we must do a better job than we have done in the past. We must get acquainted.

Thinking people throughout the world are appalled at the destruction of this war. What we have accumulated for ourselves and our families and others who are dependent upon us is now being liquidated. Several generations following us will labor under the burden of debt now being accumulated. Art, buildings centuries old and many other things we hold dear have been and are being destroyed in pitiless succession.

UNSOUND ECONOMICS AND WAR

The world has not forgotten, nor could it forget, the devastation of the last war. It brought no permanent peace—it solved no problems national or international. Should not these wars and the history of other wars be sufficient for us to ascertain the causes that produce them, and then deal with those causes? The astonishing progress made in medicine and surgery lies largely in the discovery of the cause of the disease and in destroying it rather than treating its effects. Unsound economics, inadequate distribution, inequality of trade—wherever they exist—cause unrest and discontent among the people, and thereby create fertile ground wherein the shrewd, heartless and ambitious agitator gains destructive power and domination. If there be a major cause of war, this seems to be the cause.

The world not so long ago was very large. We then knew but little and cared but little about such countries as China, Japan, Australia, or even the South American states. Communications and rapid transportation now make all these our next door neighbor. They know what we have and how we live.

FREE OF PARTY SHACKLES

Our manner of living makes it difficult for us to evaluate these changed conditions. We have been raised under the aegis of democracy. We enjoyed it. We idealized it—but truly a different aegis exists today. Democracies have changed from a government of the people, by the people and for the people, to a government by a political party for the benefit of a political party. They are entangled in a procedure that makes them inefficient and uneconomic. It seems quite clear that perhaps Great Britain, and certainly Canada, France and the United States of America failed to understand the new and adverse forces that were rising throughout the world, and failed to co-operate to prevent them from attacking the democratic system of economic, social and political freedom. Democracies became less efficient, less economic, more harmfully dominated by political parties. They adopted methods and misconstrued principles, to the undermining of the entire system. Totalitarian states are, at least visibly, efficient and efficiency appeals to most people. We do not want totalitarianism. Can democracies continue to exist on their recent past or their present performances? We think not. Can they be so operated to give a greater freedom, a greater efficiency, a greater effectiveness in world affairs? We think they can. How can we bring about this better state of affairs?—by liberating our statesmen from the shackles of party bondage, so they may unrestrictedly serve the people best; by reducing the number of governments and lightening the awful load of government machinery; by reorganizing the franchise so the unfit and unworthy do not have equal rights with those who work and produce and pay. In this respect Australia has made at least a commencement.

LIBERTY NOT LICENSE WANTED

We believe in the liberty of press, of speech, of thought, but there is a line between liberty and license. If liberty is to continue, license in speech and license to agitate cannot be permitted to destroy liberty itself.

It is hoped these distressing and perilous times will make all conscious of the necessity of change, so that the fundamental institutions of democracy may still be our inheritance.

I move the adoption of the report.

THE DOMINION BANK

Seventieth Annual Statement

Balance of Profit and Loss Account, 31st October, 1939		$ 837,400 71
The Profits for the year ended 31st October, 1940, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes of $370,165.53 amounted to		958,788 05
		$1,796,188 76
Dividends (quarterly) at ten per cent. per annum	$ 700,000 00	
Contribution to Officers' Pension Fund	85,000 00	
Written off Bank Premises	150,000 00	
		935,000 00
Balance of Profit and Loss Account carried forward		$ 861,188 76

GENERAL STATEMENT

31st October, 1940

LIABILITIES

Capital paid up			$ 7,000,000 00
Reserve Fund		$ 7,000,000 00	
Balance of profits as per Profit and Loss Account		861,188 76	
Dividend No. 232, payable 1st November, 1940		175,000 00	
Former Dividends unclaimed		1,551 37	
			8,037,740 13
Total Liabilities to the Shareholders			$ 15,037,740 13
Notes of the Bank in circulation		$ 4,761,084 00	
Deposits by and balances due to Dominion Government	$ 7,082,305 85		
Deposits by and balances due to Provincial Governments	1,631,051 53		
Deposits by the public not bearing interest	41,075,839 55		
Deposits by the public bearing interest, including interest accrued to date of statement	80,622,320 48		
		130,411,517 41	
Deposits by and balances due to other Chartered Banks in Canada		1,510,560 16	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,759,982 28	
Liabilities to the public not included under the foregoing heads		638,121 12	
			139,081,264 97
Acceptances and Letters of Credit outstanding			4,333,305 11
			$158,452,310 21

ASSETS

Sudsidiary coin held in Canada	$ 327,095 33		
Subsidiary coin held elsewhere	383 41		
		$ 327,478 74	
Notes of Bank of Canada	$ 3,156,988 75		
Deposits with Bank of Canada	11,478,788 67		
		14,635,777 42	
Notes of other Chartered Banks		238,865 00	
Government and Bank notes other than Canadian		107,824 80	
Cheques on other Banks		8,780,207 77	
Due by Banks and Banking Correspondents elsewhere than in Canada		4,865,236 62	
		$ 28,955,390 35	
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		21,217,931 13	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		12,760,624 12	
Canadian Municipal Securities, not exceeding market value		2,256,805 07	
Public Securities other than Canadian, not exceeding market value		222,265 34	
Other Bonds, Debentures and Stocks, not exceeding market value		2,032,134 64	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		2,269,722 47	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		1,547,893 52	
Deposit with the Minister of Finance for the security of note circulation		261,950 00	
			$ 71,524,716 64
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		$ 74,157,387 35	
Loans to Cities, Towns, Municipalities and School Districts		1,247,842 89	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		1,242,844 93	
Non-current Loans, estimated loss provided for		180,948 40	
Bank Premises, at not more than cost, less amounts written off		5,487,572 54	
Real Estate other than Bank Premises		29,175 88	
Mortgages on Real Estate sold by the Bank		48,802 49	
Other Assets not included under the foregoing heads		199,713 98	
			82,594,288 46
Liabilities of Customers under Acceptances and Letters of Credit, as per contra			4,333,305 11
			$158,452,310 21

C. H. CARLISLE, *President.* ROBERT RAE, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at 31st October, 1940, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1940, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A., of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, F.C.A., of Glendinning, Gray & Roberts.

TORONTO, 19th NOVEMBER, 1940.

Says Willkie Not Through

(Continued from page 1)

machinery for industrial mobilization?" I asked.

Mr. Willkie would not permit me to quote his reply verbatim. I told him about the Canadian setup for industrial mobilization for war. He said it sounded a lot like the present American setup.

Men Without Power

The present machinery has, he summarized, an Advisory Board with Knudsen, Stettinius "and a bunch of excellent men — there's nothing wrong with the men—" but without power to get things done and no chairman to co-ordinate the effort.

What Willkie thinks is needed is a setup like America—or Canada—had in the last war, one Bernard M. Baruch type of man, clear of politics, with the responsibility and the authority to do the job of getting the whole national machinery into production on a basis as efficient as that elementary to successful private industry.

The Financial Post, I told Mr. Willkie, felt the same way about Canada's war effort; that insufficient co-ordination was slowing the process of victory winning.

"I certainly hope that's done and done fast here in the United States," said Mr. Willkie.

Mr. Willkie is on his way south for a short holiday, not far from West Palm Beach.

He has been in New York where he gave what some call "the best speech of his life" at a banquet in New York; a speech, incidentally, which was mentioned among Americans I met as going a long way to make up for any apparent lack of generosity in his election-night remarks after press and public had conceded the election to Mr. Roosevelt.

Still in Politics

Mr. Willkie does not know what he's going to do now, but indicated very definitely that he will not be going back to Commonwealth and Southern or elsewhere in the utility business.

"Likely back into law or some executive job," he said. He added that he wanted to make up his mind within the next three weeks.

"Are you still in politics?"

"Oh, I expect to make statements on public matters now and then."

"Will you run again?"

"Who knows what the problems will be then? Who knows what kind of a world it will be.

"The man and his times . . ."

Here a fellow passenger interrupted, introduced himself as a Missouri Democrat and said, "I bolted my party for the first time, Mr. Willkie, and voted for you. This country needs you. I just want to shake your hand."

"Thanks very much indeed," said the man who took on the "champ," grinning in his most photogenic manner, and the man left.

Likes Limelight

Mr. Willkie obviously liked it. He is evidently very pleased by the daily flow of letters, many of which he indicated were worshipful to the point of religious zeal.

His unconcern at the gaze of fellow passengers was, I felt, a studied unconcern. He was definitely boyish in his pleasurable embarrassment at seeing the constant procession of passengers file through the dining car and back again from both ends to have a look at the great man. For word spread like a fire alarm through the whole train that Willkie was in the diner, and led by a flying wedge of porters, most of the passengers solemnly glanced at him gustily enjoying a lamb chop.

We never did get back to the subject of whether or not Willkie would try a second time. But he very definitely left the impression that with the proper confluence of times and problems, he would be ready to pour just as much energy and zeal into a second attempt.

What Comes Next?

Very well sourced rumor has it in Washington—a rumor that Mr. Willkie would neither confirm or deny—that he has been invited to assume a high post in the Roosevelt administration. Mr. Willkie is understood to have refused, stating that he could be of best service to his country elsewhere.

He's a powerful chap in size, but, I felt, without the glittering and somewhat overwhelming personality of the President. He has a disconcerting manner, for an interviewer, of answering a question in part; getting into his stride with some good phrases (and good copy), then halting and sitting in silence until another question is popped. His eyes are the smallest part about him, very light blue and efficient rather than attractive.

"Is the President going to get America into the war?" I asked.

"I don't think the answer to that question lies either with the President or with the American people," he replied. He didn't expand the statement. I could only conclude he thought events might do what neither the President nor the American people wanted deliberately to do.

Montreal Power Output Grows

From Our Own Correspondent

MONTREAL.—Reflecting increased industrial activity, electricity output of Montreal Light Heat & Power Cons. in November, exclusive of secondary power sales, again showed an improvement over last year. Production totalled 125,899,900 kw.h., a gain of 9.03% over Nov., 1939.

Total production for the first 11 months of 1940 showed an increase of 11.48%.

Effect of New Ruling

Although total power consumption in the Montreal area last month was higher, John S. Norris, president, reports daytime peak demand actually showed a decline from November of last year, as a result of the Government order continuing daylight saving time. In other words, more electricity is being used now, but consumption is better distributed throughout each day.

Gas output of the company last month also showed an increase of 1.34% over the same month last year. Cumulative production for the first 11 months of 1940 was 4,374 million cu. ft., up 2.76% over the like 1939 period.

Pulp and Paper Industry

Newsprint Output Nears Record

Returns on Net Basis For 1940 Will Set New Mark for Canada

From Our Own Correspondent

MONTREAL. — Operations of the Canadian newsprint industry were maintained at a relatively high level during November, to judge from available indications. Official figures of the Newsprint Association of Canada and the News Print Service Bureau are not due to be issued until the week end, but are likely to foreshadow a new net record of shipments in the full year.

Preliminary signs point to tonnage of shipments last month a little less than in October. During the latter month Canadian mills shipped 287,943 tons, a figure well below the peak reached in June but still considerably above the monthly average for 1939.

One Less Day

Drop in shipments, as measured in tons, is explained by one less working day in November. If shipments for the past month are considered in relation to capacity, returns would be roughly the same as in October when shipments were equal to 75.7% of rated capacity. It would not be surprising, moreover, if the final returns show that the ratio of shipments to capacity was a shade better than in October.

A favorable feature of last month's operations was that production was kept in line with shipments, thus preventing an increase in mill stocks, which were last reported at 180,326 tons.

Output of the Canadian mills last month probably ran to 280,000 tons. This is considerably below the previous month's total of 309,957 tons but about on a par with that of Sept., 1940, and Oct., 1939.

Current Status Better

There has been no major change in operations since beginning of this month. For the past week both production and shipments were "a little better," it is reported. This is not particularly indicative of any trend, as there is better than two weeks to go to finish the month.

Taking into consideration holidays, etc., there is the likelihood that returns for the current month will not show a material change, though ordinarily there is a seasonal upswing during closing month of the year.

Return to Normal Level

Since last June there has been a slackening in operations by the industry. In that month shipments reached the highest level since the inflated period experienced in 1937. Production, however, did not reach a peak until July.

Since midyear both production and shipments have fallen off moderately. Unquestionably there was a certain amount of stocking up in the early summer, due largely to overseas customers taking deliveries as shipping was available, etc.

That peak apparently has been passed and demand has returned to as normal a level as can be expected in these days. Accordingly it is felt that if production and shipments can be maintained at the average of the year to date, the industry will be well off.

If this expectation is borne out, newsprint production in Canadian mills for 1940 will likely run around 3,400,000 tons, with shipments at roughly the same level.

Set New Record

This would contrast with output in 1939 of 2,869,266 tons and of 2,624,580 tons in 1938. In the previous record year of 1937, the industry produced 3,647,800, a figure about 250,000 tons greater than the estimate for this year.

However, comparison with the 1937 record must take into account that returns for that year represented a very considerable tonnage of forward buying, which played havoc with the operating schedule of the mills the next year.

A more accurate basis of comparison, is to compare shipments. Last year shipments totalled 2,861,202; in 1938, 2,515,996 and in 1937, 3,654,669 tons.

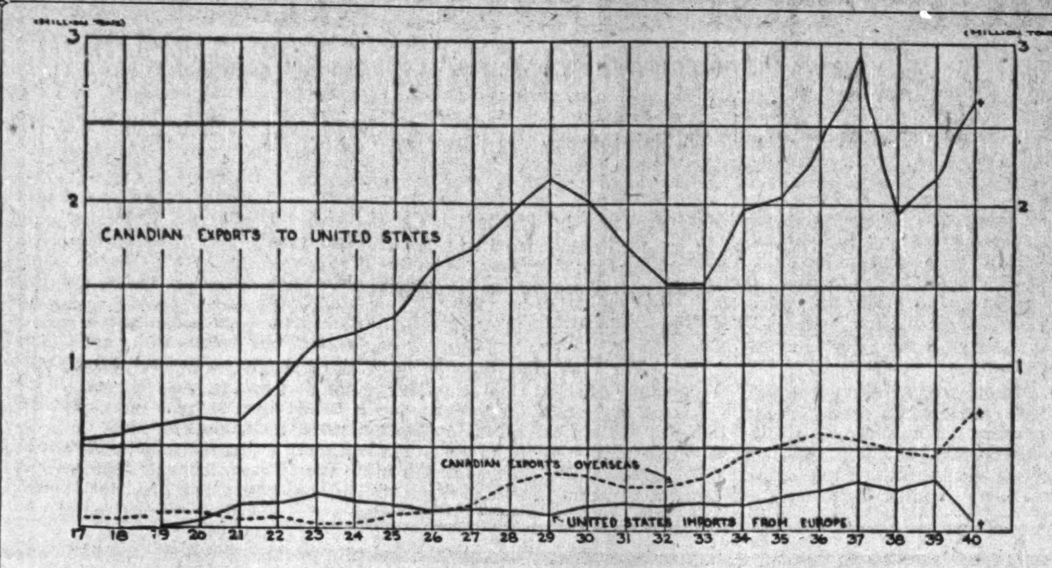
Better Net Demand

In 1937 it is estimated American publishers accumulated nearly 500,000 tons of excess stocks, so that actual demand was somewhere in the neighborhood of 3,150,000 to 3,200,000 tons.

There is reason to expect 1940 results better than the 1937 net. To the end of October shipments amounted to 2,872,738 tons.

For November and December shipments should aggregate about 550,000 tons. In that event, aggregate shipments for all of 1940 would be just over 3.4 million tons.

This would be a true demand and not reflect stocking up against a premature announced price rise as was the case in 1937. It would mean, therefore, that actual consumption of Canadian newsprint in 1940 in Canada, the United States and overseas markets would set a new record.



NEWSPRINT IN WORLD TRADE — 1917-1940

Canadian exports of newsprint have been making up an ever larger share of the total of Canadian production since the last war, as shown by the above chart prepared by Wood, Gundy & Co., Toronto. Figures for the last quarter of 1940 are estimated. How the depression of the 1930's, the overstocking of 1937 and the war has affected Canada's newsprint trade is made clear.

Company Reports

Can. Indust. Alcohol

Canadian Industrial Alcohol Co. and subsidiaries report a substantial improvement in total income in the year ended Aug. 31. After provision for heavier taxation, in addition to certain other charges incidental to the war, a modest betterment was shown in net profit. The latter amounted to $220,111, against $212,349 in the preceding fiscal year. This was equal to earnings on the common stock of 20 cents and 19 cents, respectively. Dividends of 15 cents were paid in the past year, against 10 in 1939.

Hon. Gordon W. Scott, president states in the annual report that volume of business in the Canadian market suffered following increases in the alcoholic beverage excise tax, which went into effect in September, 1939. Decline in gross profits was largely offset by decreased expenditure. Mr. Scott points out that provision for income tax for all governments in the past year was $125,580, compared with $59,661 in the previous year.

McNish Sales Higher

Sales of the company's wholly-owned subsidiary, Robt. McNish & Co. were considerably above normal, due to a policy on the part of customers to build up inventories of Scotch whiskies.

Two new items of expense appeared in the company's statement for the past year. The British compulsory war commodity insurance necessitated expenditure of $49,155 on premiums. Provision of $11,074 represents a possible loss of assets located in enemy occupied territory.

Balance sheet shows a decrease in cash at Aug. 31, 1940, to $208,938 from $572,201 at the end of the previous year.

Accounts receivable increased to $1.1 millions from $560,377 in the previous year. Inventories increased $512,493 to $3.4 millions. Bank loans increased to $610,670 from $264,000 at the end of the preceding fiscal year. These represent borrowings of the subsidiary company to complete its inventory replacement programme.

Following are income and surplus accounts for the two years and working capital:

Consol. Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Oper. profit from:		
Canadian companies	456,058	426,660
Robt. McNish Co.	140,290	23,664
Foreign	......	24,865
Inc. from invests.	20,215	17,582
Material sales prof.	4,074	10,284
Total income	620,637	503,055
Less: Legal exps.	7,718	14,088
Exec. salaries	29,925	29,839
Directors' fees	2,438	3,493
Bank loan int.	14,283	5,231
Deb. interest	664	8,463
Depreciation	159,688	159,931
Income taxes	125,580	69,661
War risk insurance	49,155	......
War accounts prov.	11,074	......
Net profit	220,112	212,349
Less: Dividends	166,787	111,192
Surplus for year	53,325	101,157
Add: Prev. surplus	1,154,267	1,062,017
Invest. sale prof.	37,316	*557
McNish deb. settle.	......	11,436
Deb. red. prof.	......	61,550
Assets sale prof.	......	2,699
Less: Prior inc. tax	4,429	......
W/o subsid. shares	......	13,929
Exchange adjust.	......	70,106
Surplus forward	1,240,479	1,154,267

*Loss.

Working Capital

	1940	1939
Current assets	4,901,326	4,433,056
Current liabilities	1,155,270	994,004
Working capital	3,746,056	3,439,052

Hiram Walker

Annual report of Hiram Walker-Gooderham & Worts for the year ended Aug. 31, 1940, shows net profits up about $750,000 to $6.1 millions. Of this amount, $915,253 represents net profits of the company's subsidiaries in Scotland.

No funds have been withdrawn from Scotland as yet because the company there is still in the development stage. The company has not applied for permission of the United Kingdom Foreign Exchange Board to send any dividends out of the country. The balance sheet as at Aug. 31, includes $10.4 millions of assets in the United Kingdom of which $6.7 millions represents current assets. Against these assets there is issued the $7.5 millions of 4½% debenture stock guaranteed by the parent company.

All figures in the latest report are stated in Canadian dollars. Conversion has been made at official rates of the Foreign Exchange Control Board. Net results of all exchange adjustments for the year was a credit of $1.4 million, before charges to reserve for contingencies of $229,848.

No change has been made in funded debt outstanding during the past year, this remaining at $3,954,000, due 1945, and payable in U. S. currency, and £1.5 millions ($7.5 millions) payable in sterling. Sinking fund requirements during current year will be $620,851 in Canadian funds.

Consol. Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Net sales	78,678,677	68,325,809
Less: Cost of goods	57,776,645	50,640,488
Gross profit	20,902,032	17,685,321
Add: Other income	302,520	315,707
Gross aernings	21,204,552	18,001,028
Less: Sell. & gen. exp.	11,351,660	8,608,501
Exec. & dir. remun.	176,495	158,833
Legal fees	96,589	81,009
Directors' fees	20,000	20,000
Debenture int.	483,769	484,913
Amort. debt exp.	34,217	34,217
Bank interest	61,894	110,422
Depreciation	810,552	837,750
Net loss on assets	1,825	786
Loss on materials	......	83,263
Income tax prov.	2,101,887	1,256,195
Pref. share exp.	......	29,160
Net profit	6,065,664	5,295,979
Less dividends:		
Preference	560,818	534,092
Common	2,896,016	2,896,016
Surplus for year	2,608,830	1,865,871
Add: Prev. surplus	10,687,311	8,576,949
U. S. deprec. adj.	......	304,870
Less: Income tax adj.	......	60,379
Earned surplus fwd.	13,296,141	10,687,311
Earned per Share:		
Common	$7.60	$6.58
Paid	4.00	4.00
Shares o/s.:		
Preference, n.p.v.	560,818	560,818
Common, n.p.v.	724,004	724,004

Working Capital

	1940 $	1939 $
Current assets	40,144,137	36,582,866
Current liabilities	6,737,533	7,178,367
Working capital	33,406,604	29,404,499

Balance Sheet Changes

	1940 $	1939 $
Cash	1,557,725	2,259,457
Receivables (trade)	8,227,162	5,148,146
Less: Reserve	530,456	427,038
Inventories:		
Can. & U. K. (Imp. gals.)	18,156,907	17,231,736
U. S. (U. S. gals.)	46,869,739	44,804,524
Val. in Can. $	21,332,134	20,515,310
Bank loans	1,100,000	3,044,939
Tax reserves	3,244,568	1,784,979

Johnston Storage

Net profit of Johnston National Storage Ltd., Vancouver, in year ended July 31, last, was $9,998, up $2,283 from the previous 12 months.

Sinking fund at $29,132 was up $6,451 from 1939, with net debt reduced to $199,468. Working capital also shows improvement.

Elmer Johnston, president, reports considerable outlays made on equipment and plant in order to maintain the efficiency required. Outlook is regarded as difficult to forecast, but directors feel reasonably confident progress can be expected.

Profit and Loss Account
Years Ended July 31

	1940 $	1939 $
Net earnnigs	45,279	39,414
Add: Disc. on bonds purch. for s. f.	1,359	1,465
Int. on bonds red.	2,126	1,744
Total net inc.	48,764	42,623
Less: Depreciation	18,536	21,228
Bond interest	11,430	11,430
Inc. tax res.	8,800	2,250
Net profit	9,998	7,715
Add: Prev. surplus	27,676	21,106
Less: Pr. yr. tax	......	1,145
Surplus forward	37,674	27,676
Times Bond Interest Earned:		
After depreciation	2.64	1.88

Dominion Glass

Dominion Glass Co. and subsidiaries experienced a sharp gain in operating profits during year ended Sept. 30, but an increase of $240,261 in taxes kept net profits down to slightly under that reported the year before. Gross operating profits totalled $1,187,107, compared with $967,497 in the preceding year. Net profit of $568,029 was equal to $9.08 a share on the common after preferred dividends, as against $595,422 and $9.73 a share, on same basis, in the previous year.

Prospects at beginning of the year, says L. J. Belnap, president, were difficult to foresee. The company was faced with particular uncertainty in planning manufacturing operations to care for requirements of its trade. At the outbreak of war restrictions were placed on a considerable volume of export business of the company's customers, entailing loss of usual orders for glassware and the probable disposal in Canada of large stocks made up in advance for the export market.

However, the company benefitted from general improvement in volume of domestic business and completed the year without a decrease in output. The results shown, said Mr. Belnap, were obtained notwithstanding operation of factories at less than normal capacity and uncontrollable items of extra expense.

The balance sheet at Sept. 30 shows a contraction of $468,000 in net working capital. This reflects outlay of nearly $700,000 on plant. Cash and investment receipts declined from $1.1 million to $661,000. There was a gain in provincial bonds to $137,383. Inventories show a moderate increase—$1,380,884 to $1,508,537.

Comparative figures on the income and surplus account follow:

Income and Surplus Account
Year Ended Sept. 30

	1940	1939
Operating profit*	$ 985,537	$ 765,927
Other income	10,985	14,943
Total revenue	996,522	780,870
Less: Taxes	371,594	131,332
Directors' fees	11,760	11,905
Exec. salaries	43,541	42,133
Legal expenses	1,598	78
Net profit	568,029	595,422
Less: pfd. dividends	182,000	182,000
Com. dividends	212,500	212,500
Surplus	173,529	200,922
Previous surplus	1,571,915	1,370,993
W/o Fluid assets	230,315	......
Surplus forward	1,515,129	1,571,915
*After charging		
Depreciation	194,070	187,600
W/o Patents	7,500	7,500

Working Capital

	1940	1939
Current assets	$3,414,748	$3,605,409
Current liabilities	1,047,729	769,926
Working capital	2,367,019	2,835,483

Ottawa Railway Co. Declares Bonus

From Our Own Correspondent

MONTREAL. — Ottawa Electric Railway Co. has declared a bonus of 30 cents a share on its common stock, to be paid along with the fourth quarterly installment of 30 cents a share on dividends declared March 14 this year. Both the bonus and final instalment of the year are payable Dec. 30 to shareholders of record Dec. 16.

The company declared its dividend of $1.20 a share from profits for 1939, payable during the current year in quarterly payments of 30 cents. It was announced that declaration and payment of dividends in future will be made after results of the net profits from operations for the year and free or liquid cash position had been determined. Previous payment before this declaration was made on July 2, 1938, when 40 cents a share was paid.

U.S. Paperboard Output Rises

Production in October Up 70,621 Tons Over Previous Month

From Our Own Correspondent

MONTREAL. — Paperboard production in the United States in October totalled 473,169 tons, an increase of 70,621 tons over September, according to figures released by the U. S. Department of Commerce. Output during the month compared with 506,466 tons produced in October last year, which was the best month in the history of the industry.

In the first 10 months of 1940 the industry turned out 4,324,204 tons of paperboard against 3,970,722 tons in the like period of last year, an increase of 8.2%.

Production to the end of last October was equal to 73.1% of capacity while in the like period last year the industry operated at 70.1% of capacity. Capacity this year is placed at about 4.4% more than the 1939 total.

Circulation Increases For U. S. Newspapers

MONTREAL.—American daily and Sunday newspaper circulations have recorded substantial gain over the previous year, with dailies showing an increase of 4.77% in 1940, according to Editor and Publisher's survey of publishers' statements to the Audit Bureau of Circulations.

Auto Sales in East At 1939 Level

Sales of passenger autos in eastern Canada in October were almost exactly on a par with Oct., 1939, it is indicated by Canadian Automotive Trade's report on new passenger car registrations. Registrations in the region, embracing the Maritimes, Ontario and Quebec, were substantially ahead of 1939 in the first 10 months of this year, the report shows.

New Passenger Car Registration
In Eastern Canada
Twelve Leading Makes for the Month

	October 1940	October 1939	Year to Date 1940	Year to Date 1939
Dodge	918	996	9,961	8,904
Plymouth	887	825	9,051	7,993
Chevrolet	671	197	12,554	9,447
McL.-Buick	281	240	3,519	2,592
Hudson	144	232	2,452	2,232
Ford	121	276	9,174	8,145
Oldsmobile	98	107	2,739	2,528
Studebaker	83	141	1,718	1,699
Mercury	58	75	2,268	1,973
Pontiac	51	148	4,182	3,475
Cadillac	33	12	206	214
Packard	32	103	805	749
Nash	28	37	375	501
	3,405	3,389	59,004	50,452

Advertising Linage Up In Canadian Dailies

From Our Own Correspondent

MONTREAL.—National advertising linage as reported by 60 Canadian daily newspapers, showed an increase of 16.3% in October, compared with the same month last year, according to the Canadian Daily Newspaper Association.

Local advertising showed an increase of 1.6%; classified linage was up 2.3%; and total local advertising gained 13.5% over Oct., 1939.

In the 10 months ended Oct. 31, the 60 newspapers carried 57,247,707 lines of national advertising compared with 55,556,714 lines in the same period of 1939, an increase of 3%. The volume of all advertising amounted to 213,980,134 lines in the 10 months of 1940, as against 209,402,218 lines last year, a gain of 2.2%.

U. S. Newsprint Mills Set 1941 Price Policy

From Our Own Correspondent

MONTREAL.—St. Croix Paper Co. has advised its American publisher customers that the first quarter price of newsprint for 1941 will be $49 a ton based on delivery in New York City. The company had a price of $48 a ton during 1940 based on New York City delivery.

Finch Pruyn & Co. has advised its customers that it will continue its current prices for the first quarter of 1941. Similar prices have been sent to its customers by the Pejepscot Paper Co.

American Paper Mills Activity Steady

From Our Own Correspondent

MONTREAL.—Rate of production is holding steady in the U. S. paper industry, excluding paperboard. According to the American Paper and Pulp Association, index of paper mill activity was 37.4% for the week ended Nov. 23.

THE ONTARIO PAPER COMPANY
LIMITED
Mill and Head Office — Thorold, Ontario.
Together with its wholly owned subsidiary
Quebec North Shore Paper Company Limited
Head Office — 680 Sherbrooke St. W., Montreal, P.Q.
Mill at Baie Comeau, P.Q.
Manufacturers of Newsprint for
THE CHICAGO TRIBUNE
THE NEW YORK DAILY NEWS

The GREAT LAKES PAPER COMPANY Limited
Manufacturers of
HIGH-GRADE NEWSPRINT
and
SULPHITE PULP
A modern mill affording an annual capacity of 113,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.
PAPER MILL AT
FORT WILLIAM, ONTARIO
TORONTO OFFICE
55 YORK STREET
DIRECTORS
HON. EARL ROWE, President
A. D. COBBAN, Vice-President
L. E. ALDRICH
L. L. BOWYER
RAY LAWSON
W. J. PALMER
C. B. SHIELDS
R. G. MEECH, K.C.
SEN. N. M. PATERSON
J. E. GEFAELL, Vice-president in charge of sales
C. ENGLAND, Assistant to the President and Secretary-Treasurer

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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Electric Accounting Machines
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Payroll Preparation and Pay Cheque Writing; Labour and Material Distribution; Inventory and Budgetary Control; Sales and Market Analysis; Billing; Accounts Receivable; Accounts Payable; Document Writing.
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for
Speedier and Superior General Correspondence.
Multiple Copies (up to 20 copies at a single typing).
Billing, Shop Orders, and other multiple copy Documents.
Stencil cutting for better production from dry or wet stencils.
Eliminating fatigue and increasing typists' output.
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Head Office: 36 King St. East, Toronto. AD.6344
Factory: West Toronto
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and they're building a home of their own!
LET YOUR PAY ENVELOPES start now to build "after-the-war" security! Put your money where you'll have something to show for it — build a home of your own.
Under the National Housing Act, it's easy. Only a small investment is needed. You pay the balance just as you pay rent—in small monthly payments. And because these homes are built to Government specifications, you're certain of real value for every dollar you invest.
For instance—many of these homes are insulated with Ten/Test. The same Ten/Test that used to be available only to the builders of expensive homes. And Ten/Test insulation means low upkeep, low heating costs. Ten/Test cuts fuel costs up to 30%. Think what this saving means—and insist on Ten/Test insulation in the home you build.
Don't just dream about it—write now and find out how easily it can be done. Ask any Ten/Test dealer for full information. Or send this coupon to International Fibre Board, Limited, Ottawa, Ontario.
TEN/TEST
THE Lifetime INSULATING BOARD
Housing Service Director,
International Fibre Board Limited, FP1
56 Sparks Street, Ottawa, Ontario.
Please send me, without obligation, copy of booklet "I Want Facts" and complete details about building and buying a home in accordance with the National Housing Act.
NAME.........................
STREET.........................
CITY.........................

Big Questions Unanswered As Parliament Adjourns

From Our Own Correspondent

OTTAWA.—Three achievements marked the session of Parliament now adjourned, events permitting, until next February.

1. The Government submitted detailed reports on the war programme.

2. An interim budget to conserve United States exchange was enacted. In doing this, however, the Government disclosed broad lines of future policy and took power to regulate and control industry and trade without precedent.

3. Agreement was reached to set up a national expenditures committee of the House of Commons immediately after the session resumes.

The progress reports on the war effort disclosed immense commitments and rapid expansion in every phase of war activity. In important respects there was a manifest lack of co-ordination and confusion of administration but these weaknesses do not detract from the vastness of war programme proper. Peak production in Canada—the full use of our man power and resources—is expected by July, 1941.

National Expenditure Committee

The committee on national expenditures was proposed by Hon. R. B. Hanson on Nov. 12 and, by implication, was promptly rejected by Prime Minister King. Mr. Hanson returned to the attack on Dec. 3, fortified with the record of the national expenditures committee of the British House of Commons, and Mr. King agreed to follow the British precedent.

Very little is known in Canada of this committee which is the direct successor of the British committee appointed in 1917 and which is conceded to have played no inconsiderable part in winning the victory of 1918. In the present war, the committee was set up at Westminster on Dec. 2, 1939, and to date has published 13 reports. It is already agreed that the work of this committee has modified the policy of the British Government in important particulars, greatly adding to the efficiency of industry. The committee comprises 28 members, not one of them being a member of the Government. The committee works through small sub-committees which maintain constant supervision over certain departments. The purpose is "to examine current war expenditure and find out what economies consistent with the execution of the policy decided by the Government may be effected therein."

Slash Red Tape

So far in Britain the committee has revolutionized the practice of awarding war contracts — cutting through red tape and doing away with much overlapping. Designs and specifications were much too elaborate. No finish is now put on any war article unless it is required for efficient operation. Imported materials or materials in short supply are excluded from specification wherever possible. This indicates the scope and function of the committee. The difficulty at Ottawa will be to find private members competent to make the committee function properly.

Reviewing the month's session, several important facts are plain. The war effort, as a reading of Hansard will demonstrate, is suffering chiefly from lack of constructive criticism in Parliament. The Liberal majority is top heavy and, to make matters worse, the Conservative party is not only small in numbers but unprecedentedly weak in ability.

Conservative Weakness

Mr. Hanson is the only Conservative of cabinet calibre in the House. He has made many grave errors both of judgment and of temper but when it is remembered that he lacks support and is without any research staff his efforts reflect some credit to himself if none to the party of which he is temporarily the leader.

There has been much going and coming among Conservatives in the past month. The official opposition might be strengthened through the resignation of some of the present members and the election of first-rate men. But it is understood that the spirit of self-immolation does not burn high among Mr. Hanson's 30 odd supporters. Or a younger man of outstanding ability might be brought in to take over from Mr. Hanson.

Need New Leader?

It is well understood that both on account of health and age, Mr. Hanson has not the energy and time to do justice to the position. But he could aid greatly in breaking in a new leader, giving him guidance and advice and helping him through the early awkwardness of a parliamentary career. In this regard, the name of Sydney Smith, president of Manitoba University, is being frequently mentioned. Of the two leading Conservatives most frequently mentioned in the past, Col. George Drew is not acceptable to the parliamentary party, and M. A. McPherson of Regina is not of robust health and is carrying on a law practice in which several of his partners are already in war service.

The Other Oppositions

Of the other two opposition parties, the C.C.F. and the Social Crediters, it may fairly be said that they are of no consequence as critics of war policy. The C.C.F. appears to have a minimum of interest in the actual war and to be mainly concerned with advocating socialist measures in terms of our war economy. The war is being exploited for C.C.F. political purposes by motions calling for a new economic system, of interest-free bond issues, of "parity" prices for wheat and so on.

The Social Crediters likewise are purely opportunist in their criticism. They advocate a debt-free war effort, a war economy in which nobody need pull in his belt. In short, they place Social Credit ahead of the war and expend in expounding their pet monetary theory energies and abilities which, although perhaps not formidable, might aid substantially if properly directed.

Lack of Co-ordination

Accumulating evidence clearly points to the kind of criticism which is required. There is a lack of unity, of co-ordination in the war effort. Individual ministers are working at top speed in their own departments and are not interested in what their colleagues are doing.

We are being committed to a big army, a big navy, a big air force, a big war industry, without anyone in Parliament being curious to know if we can achieve all four—simultaneously. Do we want to continue spending twice as much on our army as on our air force?

Have we worked out any programme of priorities — of what comes first? The priorities policy announced on Sept. 19, 1939, after consultation with London, obviously was discarded within two months.

Double Arms Standard

Should we endeavor to standardize military equipment on an Anglo-American basis—make the same guns, tanks, airplanes, munitions, and so on? Or should we continue to provide for a two-barrelled fighting force—one part using American equipment and the other British? Should we go on trying to make two kinds of bullets to fit this double standard in small arms?

And how should we ration our essential raw materials, such as steel? So far as anyone knows, the available supply of steel was pledged long ago—yet steel structures are still being approved at Ottawa and only last week the Government spoke confidently of building destroyers in Canada. Perhaps some substitute material for steel is to be used—but no one in Parliament seemed even faintly interested. On the contrary, it takes the domestic economy to loosen the tongues of the two minor opposition groups, while the official opposition has entirely ignored this vital phase of war planning.

The absence of constructive criticism in Parliament is easily the greatest weakness in our war effort. And any realistic survey of the House of Commons in action would indicate that it will be the most difficult weakness to correct.

PROFESSIONAL DIRECTORY

LEGAL

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
302 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin, K.C.
D. C. Wells — R. F. May
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James E. Day, K.C. — Thomas J. Day
Roland F. Wilson, LL.B. — Arthur Kelly
H. Emerson Martin — John R. Brimage
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. Marquette 3005

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Chartered Accountants
WINNIPEG
SASKATOON

Patent Attorneys

RIDOUT & MAYBEE
PATENTS - TRADEMARKS
80 Richmond Street West
Toronto - Phone Ad. 0119

Black, Hanson & Co.
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Winnipeg, Fort William and Port Arthur

Arthur S. Fitzgerald
AND COMPANY
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WINDSOR, ONTARIO

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Bailor Registration Cancelled By O.S.C.

Brokerage registration of W. E. Bailor was suspended as from Nov. 29, 1940, according to an announcement of the Ontario Securities Commission.

Along with notice of suspension of registration, the Commission draws attention to the fact that consent has not been given for sale of shares in Ontario of the following companies, with which Mr. Bailor has been associated directly or indirectly:

Bailor Gold Syndicate Ltd.; Bailor Gold Mines (1939); Golden Shower Mines; Kingfisher Gold Mines; W. E. Bailor Ltd.; Border Gold Mines; Lawlor Gold Mines; Brunne & Copper Lake Telluride Mining; Juno Gold Mines; Mining Interests; Allied Company, and Wekuska Gold Mines.

Ban on Metals For Containers To Affect Many

Few Acceptable Substitutes Available For Tin and Aluminum For Many Uses

Suggestion by G. C. Bateman, Metals Controller, recently that use of strategic metals for civilian use may be further restricted has not taken manufacturers of containers, or users of them, entirely by surprise. One manufacturer of aluminum foils told The Post that his firm has been having trouble getting aluminum for this purpose for some months past.

These interests have been working on substitutes, for some years past and apparently with some success. One difficulty is that each foil is engineered for the particular product on which it is to be used. Aluminum foils suitable for cigarette packages would not do for chocolate bars, for example. Careful chemical analysis of requirements is continuously being made.

There is no doubt but that substitutes can be used for many of the uses to which aluminum is now put in packaging. Special types of paper containers are available. Other metals such as lead or tin foil might be used. What will be a harder problem may be finding what to do about saving the sheet steel used now in making tin plate.

British Experience

Opinion in industries affected in Canada seems to hold that British experience can be taken as a guide. One difference is the extent to which British restrictions have been directed toward limiting use of paper products. There would not seem to be any real reason for Canada to do this with our ability to produce for ourselves most of the paper containers we can use.

In Britain, use of aluminum foil has been restricted for some time. In that country paper, and a tin-sprayed papercoating, is being used for cigarettes and chocolates, two of the largest users of foils. Most users of foils in Britain are attempting to dispense with this wrapping entirely.

A general agreement has been reached among cigarette manufacturers to dispense with all forms of inner wrappings.

In Britain, attempts to cut down use of paper has led to urging customers buying cigarettes to empty the package when bought into their own containers, leaving the newly purchased package to be returned to the manufacturer to be used again. This is said to be quite successful.

Tin Plate Problem

Tin plate is apparently a more serious problem because of its extensive use in preserving foods. One move that the British are using and that could probably be adopted in Canada is to eliminate smaller sizes of tin cans for food since there is an important metal saving in the larger cans.

In Britain as probably in Canada, it is not only the available supply of tin that limits the use of tin plate but the amount of sheet steel required.

A use for tin familiar to everyone is in the collapsible tubes in which so much of our toilet preparations and pharmaceuticals are sold. Tin is apparently the only metal that can be used for this. Canada has no equipment for using aluminum in collapsible tubes and even if it had, could not get the aluminum. Lead is not adaptable for this use.

Thus, this industry is faced with a critical situation, depending entirely on maintaining supplies of tin. Users of tin in Canada have been building up stocks to more than normal proportions, fearing interruption of supplies. All the tin used in Canada comes from the Straits Settlements and is refined in Britain.

Stock Piles

The United States is building up a stock pile of tin right now and the proposition has been considered in Canada. Discussion between tin users and government authorities recently considered a stock pile of 5,000 tons of tin, approximately a two years' supply for Canada. They were not able to agree on this scheme, however, fearing a repetition of the experience at the end of the last war when stock piles in the United States were dumped at about half cost prices.

One thing facing users of tin for domestic purposes is that the Government may requisition their stocks to use in essential war industries if someone goes short. Reports of stocks on hand and on order are made to the Government each two weeks.

In the United States much attention has been given to what could be done if supplies of tin proved inadequate. One move, of course, has been to build up stocks of tin in that country which at present produces none of its own. Even the tin smelting is done in Britain.

In the opinion of the Institute of Package Research, most packagers in the U.S., and particularly the canners, will explore the possibility of utilizing metallic containers with lighter coating of tin, or coatings other than tin, before turning to nonmetallic containers.

Usually in Canada these experimental substitutes would require important changes in existing equipment.

International Paints Ltd. Paying on Arrears

MONTREAL — International Paints (Canada) Ltd., has declared the regular dividend of 5% for the 12 months ended Sept. 30, 1940, and an additional dividend on account of arrears of 25 cents a share on the new 5% cumulative participating preferred stock.

BRITISH COLUMBIA

(Financial Position as revealed by excerpts from Budget Address delivered November 15, 1940)

A Balanced Budget For 1940-41 After Making Full Provision For All Unemployment Relief Costs and Sinking Fund Requirements

Revenue anticipated on the basis of actual accruals to the Treasury		$35,000,000.00
Ordinary expenditure		28,996,000.00
Surplus over ordinary expenditure		$ 6,004,000.00
Unemployment Relief	$2,800,000.00	
Debt redemption provisions	3,204,000.00	
		$ 6,004,000.00

A REDUCTION OF $753,169.24 IN THE NET DEBT OF THE PROVINCE

Gross debt as at October 1, 1940	$189,154,740.90
Sinking funds as at October 1, 1940	37,846,566.13
Net debt as at October 1, 1940	$151,308,174.77
A decrease in the net debt since October 1, 1939, of	$ 753,169.24

Provincial Debt Maturities Amounting to $25,064,636 Which Fall Due During 1941 Will be Repaid Without Recourse to the Open Market

B. C. Stocks and bonds maturing in 1941		$ 24,536,936.00
Serial debt instalments falling due		527,700.00
Total maturities during 1941		$ 25,064,636.00
Sinking Funds specifically established for these maturities	$20,704,116.83	
Payments from current revenue 1940-41	3,204,000.00	
Payments from current revenue, Sinking fund earnings, etc., 1941-42	1,156,519.17	$ 25,064,636.00

A Saving of $1,200,000 Annually in Debt Charges by the End of 1941

BASIC AND MANUFACTURING PRODUCTION INCREASED GREATLY

	1938	1940 (Est.)
Agriculture	$ 47,782,000.00	$ 57,500,000.00
Forestry	67,122,000.00	97,500,000.00
Mining	64,486,000.00	72,000,000.00
Fisheries	18,726,000.00	18,700,000.00
	$198,116,000.00	$245,700,000.00
Manufacturing	$ 91,000,000.00	$130,000,000.00

BRITISH COLUMBIA'S FINANCIAL POSITION, THEREFORE, IS ONE THAT PORTRAYS SOUND ECONOMIC POLICY AND PROSPERITY IN INDUSTRIAL ENDEAVOUR; CONDITIONS THAT ARE OF MATERIAL ASSISTANCE IN THE NATION'S WAR EFFORT.

PROVINCE OF BRITISH COLUMBIA

HON. JOHN HART, Minister of Finance — Parliament Bldgs., VICTORIA, B.C.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Quebec Power

As a subscriber to The Post, will you kindly let me have some material on the current earnings of Quebec Power Co.?

Quebec Power Co., controlled by the Shawinigan Water and Power Co., owns and operates public utility services in Quebec City and district. In the nine months' period ended Sept. 30, net profit of $544,246 was shown, against $523,773 in the corresponding period of the previous year. This was equivalent to earnings on the common stock of 98 cents and 95 cents respectively. The company has demonstrated stable earning power for many years.

Canadian Vickers

Please let me have the current price on the first mortgage bonds of Canadian Vickers and your opinion as to the outlook for the company.

Current bid price on the first mortgage 6% bonds of Canadian Vickers Ltd. is from 55 to 57. Outlook for the company has undergone a substantial improvement in recent months, with the company's manufacturing facilities being utilized to the utmost. In August this year bondholders agreed to temporary proposals in connection with interest payments and sinking fund until such time as complete plan of reorganization could be formulated without interfering with the efforts of the company in its war work. The company has a large volume of shipbuilding and aircraft orders on hand. Part of the recent agreement between the company and bondholders was to permit the company to issue $750,000 of prior lien bonds as collateral for bank loans. These funds were to be used for working capital purposes. Providing satisfactory earnings result from war activities, the position of the 6% bondholders should be materially improved.

Eastview, Ont., Bonds

Kindly advise if the town of Eastview, Ont., has made any progress toward reorganization. Will there be any settlement in the immediate future?

There is nothing definite yet to report upon plans for reorganizing the town of Eastview, Ont. The Department of Municipal Affairs of Ontario and a committee of bondholders have prepared surveys covering the situation. It is anticipated negotiations for reorganization will be entering the preliminary stages shortly.

Title Guarantee

Have the certificates of Title Guarantee & Trust Corp. any value?

As some of the certificates of the Title Guarantee and Trust Corp. are paying interest and others are not, we would suggest that you write to L. Chabot, Room 506, 407 McGill Street, Montreal, P.Q. These certificates represent mortgages on specific properties, and interest accruing to the holder depends upon the status of the properties. If you will write to the above address, outlining full particulars of the security, its present status will be given you.

Transcona, Man., Bonds

What is the present position of debenture holders of Transcona, Man.?

Transcona, Man., entered into a five-year temporary plan in Dec., 1937, whereby two thirds of the surplus from current accounts was to be paid each year in interest on outstanding debenture debts, the balance of one third to be used in buying in the town's own bonds.

The arrangement provided for payment of 20% of all interest arrears from July 1, 1932, to Jan. 1, 1937. Bondholders received 55% of the face value of coupons dated July 1, 1937, and Jan. 1, 1938; 20% on coupons dated July 1, 1938, and Jan. 1, 1939; 23% on coupons dated July 1, 1939, and Jan. 1, 1940. These payments represent settlement in full and no claim can be made for the unpaid balance. The payment for July 1, 1940, and Jan. 1, 1941, will be determined at the end of 1940.

Debenture debt of Transcona is now slightly under $1 million. At the time of the reorganization, it totalled $1,067,000, but about $60,000 to $70,000 has been retired. At the conclusion of the present temporary plan in December, 1942, the question of further payments will again be taken up.

"Excess" Profits Tax

A small corporation has made no profits during 1935-39. In 1940, profits will be about $5,000, possibly a little more. Can you tell me how much of this will be paid in "excess" profits taxes?

Companies reporting taxable income of $5,000 or less are not subject to the "excess" profits tax. They would only have to pay the regular corporation income tax of 18%. Over $5,000, the "excess" profits tax applies. A company with no profits for the years 1936 to 1939 inclusive, even if its taxable income in 1940 exceeded $5,000 and was thus eligible for "excess" profits, would appear to have a good case to present for an appeal to the new Board of Referees under this tax.

This Board has power to set "standard profits" for companies which have been "depressed" during the base period under the excess profits tax. If the company which you mention should be eligible for "excess" profits tax, we would suggest you write to the closest inspector of income tax, for information regarding the forms which you will have to present for an appeal to the Board of Referees and as to the information required.

Cand. Invest. Fund

Would you describe for me the operations of Canadian Investment Fund?

Canadian Investment Fund Ltd. is an investment trust of the management type. Restrictions of the organization stipulate that not more than 5% of the company's assets may be invested in securities of any one issue, with the exception of Dominion of Canada or United States government securities, if, after notice, holders of one third or more of shares outstanding do not object. The company may not borrow, buy on margin or sell short. Dividends are paid on the special and ordinary shares at varying rates. The company paid 4 cents a share on both types of stock Nov. 1. With this disbursement, total payment for the current year amounted to 16½ cents, against 16 cents in 1939. Earnings and assets of the organization have naturally been prone to fluctuate widely. In the year ended Dec. 31, 1939, net profit amounted to $388,785, against $279,703 in the previous year. This was equal to earnings of 16 and 13 cents, respectively, on both classes of stock.

B. C. Power

Your comments on the class A stock of British Columbia Power Corp. would be appreciated.

British Columbia Power Corp. reports an increase in earnings in the current year. To Oct. 31 there was a balance available for the class A preference stock of $1.8 million, or $1.80 a share. This compares with $1.7 million, or $1.70 a share in the same period of the previous year. Record of payment on this noncumulative preferred stock has been fairly satisfactory. From initial payment in 1928 to 1933 the company maintained its $2 disbursement. From 1934 to 1937, inclusive, disbursements were made at a reduced rate, but the $2 rate was restored in 1938, and has been paid regularly since. The company through subsidiaries supplies all the electric power and gas services in the most important municipalities in British Columbia, and operates electric railway systems and bus service in Vancouver, Victoria and surrounding territory. It may be expected that operations will proceed on a high level for some time. The earnings outlook, however, is tempered by increased taxation and higher cost of operation.

Canada Northern

I am thinking of purchasing Canada Northern Power Corp. preferred stock and would like a review of any current developments that might affect the company.

Earnings of Canada Northern Power Corp. in the current year have shown a decrease. In the nine months to Sept. 30, gross earnings dropped 3.68%, while net earnings were down 12.03%. Decline in revenue was largely accounted for by the fact that Lake Shore Mines Ltd., ceased to take power from Canada Northern at May 1 this year. In 1939 net profit amounted to $1.2 million, against $1.3 million in 1938. Dividend requirements on the 7% preferred stock have been covered by a wide margin for many years and dividends have been paid regularly. Expansion of the mining areas of the north has been responsible for an increase in power consumption and earnings.

Bell Telephone

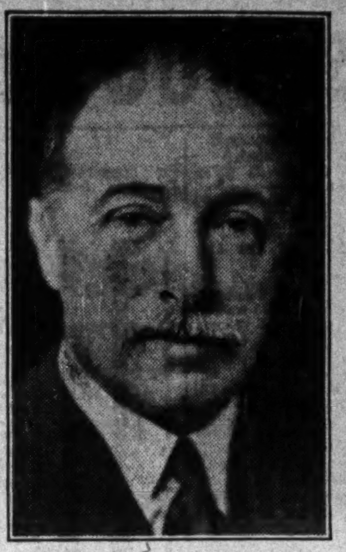
Is Bell Telephone Co. able to maintain present rate of dividend payments?

C. F. Sise, president of the Bell Telephone Co. of Canada stated July 8 this year that the company expects to earn and pay the present dividend rate of $8 a share in the current year. Dividends of this amount have already been paid for the year. Mr. Sise added that taxation would require about $1.8 million more this year than last, but the present outlook is that heavy increase will be nearly offset by increased earnings and savings in interest charges resulting from last year's refinancing of the series A first mortgage bonds.

Clarendon Properties

What is the current market of Clarendon Properties Ltd. 7% bonds? What interest payments have been made in recent years?

Current market price of the 7% first mortgage bonds of Clarendon Properties Ltd. is about 18-21. Interest payments in 1939 and 1940 have been made as follows: $15 on May 1, 1939; the latter payment covering balance of coupon No. 10 and $7.50 on coupon No. 11; $12.50 paid on Nov. 1, 1939; $10 on May 1, 1940, and $5 on Nov. 1, 1940. Coupon No. 12, due Nov. 1, 1933, and subsequent coupons are unpaid. The payments, as listed, are on $1,000 bonds and were proportionately less on $500 and $100 bonds.



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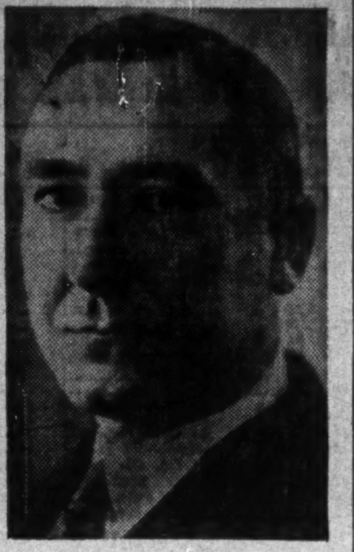

L. J. BELNAP

NEW C.P.R. DIRECTORS

Mr. Geoffrion and Mr. Belnap have been elected to the board of directors of Canadian Pacific Railway Co. to fill vacancies created by the deaths of Hon. J. Marcelin Wilson and Sir Charles Gordon.

Bear Takes a Holiday

Short Sea Trip Changes Outlook of Professional Prophet of Gloom

Travel is so broadening, they say, and a sea voyage one of the most refreshing tonics for "that run down feeling."

But few people have found them so completely stimulating as William J. Baxter of New York. Hitherto he has been a professional peddler of ill omens—or what he regarded as such. Among all the world's paid head-shakers, none was a more lugubrious merchant of gloomy tidings.

Now Mr. Baxter has found that a pleasant boat trip can completely change your outlook, rejuvenate your confidence in the future. It took only a brief journey to the West Indies to enable Mr. Baxter to salvage the British Empire from "inevitable disaster."

The bold and bearish Mr. Baxter emits dire forecasts in the form of confidential reports from the "Baxter International Economic Research Bureau." Affiliated with this titular mouthful, his bulletins proclaim, is the "Canadian Economic Research Bulletin." This was recently exposed in The Financial Post as entirely lacking any Canadian existence, office or connection.

The $80-a-year prognostications of the Baxter "service" have been officially barred from Canada since last July, because of their pro-Nazi and anti-British flavor.

Saved from Collapse

As recently as October, the Baxter bulletin was flatly predicting "inevitable disaster for Britain," and declaring the Battle of Britain as "lost before it ever started." Previously this economic crystal gazer foresaw that "England as we have known her in the past is definitely through."

"No power on earth can save England at this late hour," trumpeted the Baxter bulletin in September. But judging from his latest divinations, dated Nov. 27, this should have read, "no power but Baxter." For with an agility gained from refreshing sea breezes and the balmy climate of Jamaica, Mr. Baxter has done a complete flip-flop and now views the future of the Empire from a more optimistic angle.

Under the bold and unqualified heading of "The British Empire Faces A Boom," Mr. Baxter datelines his latest outburst from Kingston, Jamaica. In his line of business, he confesses, "it is good every once in a while to get on a boat, far away from telephones newspapers and stock prices, and take a fresh view of the situation."

After three days on shipboard, he concluded that "the reorganization of England . . . is the greatest single factor we are going to deal with in 1941 and 1942."

Things Look Different

For months the Baxter bulletins have betrayed a strong pro-Nazi bias, foreseeing nothing but disintegration for Britain and the continued sway of the Germans in Europe. But it's wonderful how different things look after a three-day sea voyage. Though Jamaica is farther from Europe than New York, the changed perspective enables Mr. Baxter to predict things as "boom conditions for most common stock owners in England, Australia, India and South Africa," and "record expansion of foreign trade of these areas."

But having let himself go to paint such a bright picture, Mr. Baxter hastily reassumed his rôle as one of the world's leading bears. With the Empire started off on a boom, he had to find some other part of the world to overshadow with disaster. His selection was his own country. On the United States horizon he sees darkening clouds of a "business panic," collapse of rural banks and other financial institutions, and the end of "private capitalism as we have known it."

This sounds pretty alarming. But you never can tell. The Baxter bulletins in the past have made other equally startling predictions which failed to come off. And he may change his mind completely, as he did about the Empire, on the return trip from Jamaica.

Municipal Honor Roll

Five Years of Progress by Local Government

MONCTON, N.B.

Moncton, N.B., is the thirtieth in a series of municipalities included in The Financial Post Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Eastern terminus of the Trans-Canada Air Lines, Moncton, is an important spot on the Canadian air map. A great deal of activity in the vast Empire Air Training Scheme also gravitates around the New Brunswick municipality.

But all the activity is of comparatively recent origin. It has nothing to do with the good administration given to the city and its credit standing.

Reasons for these things are much more basic and of longer standing. Expressed by a municipal authority, they are:

Possess Civic Pride

"Almost without exception the persons who are nominated and elected to our city council are men possessing a keen interest in the welfare and development of our city. Their efforts are continuous in attempting to do sound, worthwhile and lasting things while they hold office. When a city council is imbued with such a spirit it is only natural that all the city's officers and employees — to say nothing of the citizens generally — will be of the same inclination and desire."

New Brunswick has not extended any direct relief since April 1, 1937. Nor has the Senior Authority. In 1937-39, however, they did contribute toward certain labor charges incurred for capital works. Moncton therefore undertook many of these projects. During working season the municipality deducted one quarter of each workman's wages to be paid out during the winter months. The scheme aided considerably in winter unemployment relief.

Statistical Picture

	1939	1938	1937	1936	1935
Population	22,197	22,087	21,987	21,939	21,639
Assessment (taxable in $000's)	23,848	23,497	22,928	22,611	22,109
Assessment per capita $	1,074	1,063	1,042	1,030	1,021
Tax rate (mills)	31	31.5	33	34	34
Tax collections:					
Current collections to curr. levy %	78.35	79.37	76.10	77.02	75.16
Current & arrears to curr. levy %	99.83	103.67	103.30	105.70	101.42
Gross debenture debt in ($000's)	4,930	4,866	4,678	4,948	5,022
Less: Sinking fund	1,871	1,798	1,659	1,802	1,742
Net debenture debt	3,059	3,068	3,019	3,146	3,280
Net deb. debt per capita $	138.24	138.92	137.29	143.40	151.56
Other liabilities	530,738	449,229	405,760	387,303	491,389
Relief expenditure funded	nil	nil	nil	31,500	34,500
Relief met out of curr. rev.	nil	nil	4,048	nil	nil

Last Debentures Sold

$9,500—4%, 20-year bonds, dated July 2, 1939, sold at par.

Textile Firms Back Budget

C. Blair Gordon Says Industry Realizes Necessity For Changes

Discussing the cotton textile position G. Blair Gordon, president of Dominion Textile Co., said:

"The big effect of the new budget is the removal of the duties on all types of yarns and piece goods from England. Our Government has every reason to count on the support of the Canadian cotton industry for any action it deems necessary.

"This is not the first occasion where our industry has been looked to for support. In 1932, for instance, when the situation was less urgent, we were called upon then, and not in vain, to make sacrifices to further the aims of the Imperial Economic Conference, which was being held in Ottawa at that time. At the present time we realize the necessity for moves which would not be necessary in normal times."

This co-operative attitude is typical of the whole textile manufacturing industry.

Canadian textile mills operated at a high rate of capacity over the past year, due in part to the receipt of Government contracts. While the latter have been substantial still domestic needs absorb by far the largest share of the output.

Competition Keen

Competition in the same period has been keen. The dollar value of all cotton imports from the United Kingdom for the first nine months of 1940 was nearly $7.8 millions, as against $7.2 millions for the like period of 1939.

Imports from the United States to the end of September this year were valued at $9.3 millions, as against only $4.7 millions a year ago.

On artificial silk piece goods the same condition does not apply. The free entry of British goods is expected to give English mills a substantial increase in business, but this will be counterbalanced by the elimination of American mills from the market, so that on balance Canadian mills may not be affected to any major degree.

Affect Hosiery Mills

The proposed gradual elimination of real silk in the manufacture of hosiery is, of course, of direct interest to a number of Canadian hosiery mills, a majority of which are located in Quebec.

Intention is to cut down imports of natural silk as rapidly as Canadian mills can change over to the use of artificial fibre. Considerable experimental work has been done with artificial fibres, and a plant is being established at Kingston for the manufacture of Nylon yarns.

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TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 9

Range 1940 High	Low	Div Rate $	Dec 7 Y'ld %	Stock	Sales	Last Dec. 2	Week end. Dec. 9 H	L	Cl'se
.50	.50	.	...	Abitibi	2539	.80	.80	.55	.80
27½	2	.	...	Do. pref. 6%	1060	6¾	7½	6½	7½
33	5½	.	...	Do. pref. 7%	....	(— bid 12½ asked)			
6	3	.	...	Acme Glove	....	(2 bid — asked)			
67	45	6.50	...	Do. pref.	3	45	45	45	..
13½	9	80+20c	8.7	Agnew Surp.	20	11	11½	11½	11½
22½	13½	1	6.2	Ford Motor A	1175	16½	16½	16	16½
21½	14	1	6.6	Do. (B)	....	(16 bid 17 asked)			
.20	.05	.	...	For. Pr. Secs.	....	(— bid 15 asked)			
15½	6	50c	...	Foundation Co.	180	12	12	11½	12
20	6	.	...	Fraser Cos.	....	(9 bid 10 asked)			
21½	7½	.	...	Do. Vot. Tr.	43	11½	10½	10½	10½
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
38	32	.	...	Do. pref.	....	(36 bid — asked)			
16½	9	80c	7.6	Gatineau Pwr.	110	10½	10½	10½	10½
97	79	5	5.7	Do. pref.	35	85	87	87	87
105½	90	5.50	5.7	Do. 5½% pref.	30	96	96	95½	96
5½	2	.	...	St. Law. Corp.	350	2½	2½	2½	2½
21	10½	1+90c	...	Do. (A)	760	18½	19	18½	18½
30	17	1+50	7.2	St. Law. Flour.	....	(21 bid 23½ asked)			
125	116	7	6.4	Do. pref.	20	115	110	110	110
52½	20	2+2	...	St. Law. Pap. p	866	43	43½	41	41
14	7½	1.25	...	Stand. Chem.	80	12½	12½	12½	12½
2	¼	.	...	Stand. Clay	....	(— bid 2 asked)			
2.00	.25	.	...	St. Pav. & Mat.	....	(.65 bid .90 asked)			
6½	3½	.	...	Do. pref.	....	(3½ bid 4 asked)			
50	39	3	6	Stand. Steel, pf.	....	(50 bid 51½ asked)			
28½	20	60+60c	5½	Stedman Bros.	....	(20 bid 25 asked)			
86½	61½	1.75	5.1	Steel of Can.	242	70	74	72	73
83	62	1.75	2.4	Do. pref.	17	65	74	72½	72½

Mining Stocks

Week Ending December 9.

Par Val.	Range 1940 High	Low	Company	Sales	Close Dec. 2 (or last)	High for week	Low for week	Close Dec. 9
			P, Q, R					
No	2.35	.78	Pamour	21,040	1.38	1.49	1.34	1.45
1	.10½	.02	Pandora	6,000	.08	.08½	.08	.08
1	.10	.02	Partanen Mal.	8,000	.03½	.04	.03	.03½
1	2.65	1.40	Pato Cons. G.	600	2.10	2.30	2.10	2.30
1	.02	.00½	Pawnee Kirk.		(.... bid .01½ asked)			
1	.33	.20	Paymaster	23,700	.24	.25	.22½	.22½
1	2.35	.99	Pend Oreille	1,250	1.85	1.85	1.75	1.80
1	2.12	1.01	Perron Gold	5,800	1.66	1.82	1.65	1.70
1	4.30	2.12	Pickle Crow	7,595	2.93	2.97	2.90	2.95
1	2.45	1.45	Pioneer Gold B.C.	1,340	2.20	2.15	1.95	2.15
1	14.50	9.00	Placer Devel.		(9.00 bid .... asked)			
1	2.18	.85	Powell Rouyn	1,000	1.10	1.10	1.05	1.10
1	1.60	....	Premier Gold	1,600	.87	.90	.90	.90
No	1.31	.58	Okalta	400	.72	.70½	.70½	.70½
No	.06½	.03	Pacalta Oil	......	(.05 bid .... asked)			
1	.42	.19	Pacific Petroleum	900	.25	.25	.25	.25
25c.	.21½	.08	Prairie Royal	1,000	.09	.08	.08	.08
No	.19½	.08	Royal Canadian	500	.09½	.09	.09	.09
No	.10½	.06	Royal Crest	......	(.... bid .08 asked)			
No	36.00	17.50	Royalite	24	23.00	21.00	21.00	21.00
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.25 bid .40 asked)			
1	.06	.02	Spooner	100	.06	.04½	.04½	.04½
25c.	.38	.11½	Sunset Oil	......	(.10½ bid .... asked)			
No	.09	.03½	United	......	(.04 bid .04½ asked)			
No	.07	.03½	Vanalta	......	(.04 bid .... asked)			
1	.63	.23	Vulcan	......	(.31 bid .45 asked)			
No	.05	.02	West Flank	......	(.02 Nov. 9)			

* Quotations for 1939.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Dec. 11, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	97½	102½	.30
5	Nov. '41	103¾	103¾	1.06
1½	May '42	100½	100¾	1.10
2	June '42	100¾	101½	1.10
3	Oct. '42	102¾	103½	1.24
2½	June '43	102½	102¾	1.43
5	Oct. '43	108½	109½	1.69
2	June '44	100½	101½	1.63
a2½	Jan. '44	92½	93½‡	4.30
4½	Oct. '44	108¾	109½	1.94
2½	Nov. '44	102	102¾	1.78
a2½	Aug. '45	91½	92½‡	4.33
4	Oct. '45	105½	106½	b1.78
4½	Feb. '46	109¾	110½	2.35
3½	June '49	102½	103	b2.66
3½	Oct. '49	102½	103½	b2.61
3½	Nov. '51	100¾	101½	b3.04
3½	Feb. '52	101	101¾	b2.98
a5	May '52	99¾	‡100½	b4.45
4	Oct. '52	105½	106½	b2.99
3	June '55	98½	99	3.09
4½	Nov. '56	107½	107¾	b3.04
4½	Nov. '57	107¾	108½	b3.12
3	June '58	97½	98½	3.13
4½	Nov. '58	108½	109½	b3.17
4½	Nov. '59	109½	110	b3.20
a4	Oct. '60	90¾	92‡	4.62
a3½	Jan. '61	81½	83½‡	4.53
3½	June '66	100	100¾	b3.19
a3e	Jan. '67	79¾	81½‡	4.19
a3e	Nov. '68	79¾	81½‡	4.14
†3	Perpet'l.	88½	89½	3.36
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100½	101½	1.42
2½	Jan. '46	99¾	100¾	2.12
3	May '44	103½	104	1.79
3	Dec. '50	99	100	3.00
3	Feb. '53	97½	98¾	3.12
3	Jan. '59	96¾	97¾	3.17
*4½	Sept. '51	114	115	2.90
*4½	Feb. '56	114½	115½	3.22
4½	July '57	114½	115½	3.29
*4½	June '55	116½	117½	3.23
5	Feb. '54	116½	117½	3.40
*5	July '69	113½	114½	b2.06
*5	Oct. '69	118	119	b3.03
*5	Feb. '70	118	119	b3.08
	Grand Trunk Pacific Rly.:			
3	Jan. '62	98½	99½	3.05
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	88	90	4.14
3½	Aug. '49	90	91½	4.44
3½	June '56	88½	90½	4.35
c4	Nov. '47	97	99	4.17
c4½	Apr. '61	99½	101½	4.39
c5	Jan. '60	104	106	4.53
	Nova Scotia:			
3	Jan. '52	92	94	3.67
3½	June '56	93½	94½	3.72
3½	Nov. '50	98	99	3.62
c4½	Sept. '52	105½	101	b3.33
c4½	Nov. '60	106½	108	3.92
c5	Mar. '60	112	114	3.96
	Ontario:			
2½	May '45	100	101	2.26
3	Apr. '48	99	100	3.00
3	Nov. '50	98	99	3.12
3½	Nov. '51	99½	100½	b3.19
3½	May '55	99½	100½	b3.22
*4	June '62	106	108	3.47
4½	June '50	109½	110½	3.21
*4½	Jan. '62	112½	114½	3.52
5	Oct. '48	111½	112½	3.20
*5	Dec. '60	118½	120	3.59
5½	July '46	111¾	112¾	3.00
	Ont. Hydro Commission:			
3	Aug. '48	99	100	3.00
3½	Feb. '53	99½	100½	b3.22
3½	Apr. '47	101¾	102¾	3.02
	Prince Edward Island:			
3	Oct. '45	94½	96½	3.79
	Quebec:			
3	Nov. '47	94½	95½	3.74
3½	Mar. '48	95½	96½	3.80
3½	Mar. '59	92	93½	4.09
3½	Feb. '55	96½	97½	4.09
4	Mar. '52	99	100	4.09
4½	Aug. '58	100	102	4.09
4½	Jan. '63	103	104½	4.19
	Alberta:			
4	Dec. '54	59	63	d
4½	Oct. '51	66	..	d
c4½	Oct. '56	61	65	d
*5	Oct. '59	64	68	d
c5½	Apr. '52	68½	72½	d
6	Mar. '47	70½	74½	d
	British Columbia:			
c4	Dec. '57	97	101	3.90
*4½	Jan. '31	100	104	4.01
c4½	Oct. '33	100	104	4.19
c5	Apr. '34	104	108	4.22
5½	Feb. '45	103	107	3.87
6	Feb. '47	104	108	4.30
	Manitoba:			
c4	Dec. '57	89	93	4.90
c4½	Dec. '56	91½	95½	4.91
*5	Dec. '59	97	101	4.92
5½	Oct. '55	98	102	5.39
6	Apr. '47	100	104	5.25
	Saskatchewan:			
4	Sept. '54	75	79	6.28
4	Nov. '60	72	76	6.09
c4½	Oct. '51	84	88	6.00
c4½	Mar. '60	78	82	6.09
5	Aug. '58	84	88	6.11
5½	Oct. '52	87	91	6.60
6	Mar. '52	90	94	6.76

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 10, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	28½	30
Andian National	27	28½
Anglo C. Tel., A	8½	8¾
Atlas Steel	19	..
Barrymore, pfd.	29	..
M'row Screw, p.	100	..
Do., com.	10	..
Neilson, Wm., c.	9	..
Do., pfd.	101	..
N. B. Tel., c.	12	15
N. Meth. Ldy., p	52	58
Canadian Fire	79	..
Confed. 30% pd.	135	145
Continental L.	34	..
Crown fully pd.	250	230
Dominion Fire	135	..
D. of Can. Gen.	115	..

Unlisted Mines

Toronto, Dec. 10, 1940

Montreal, December 10, 1940

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 10, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 10	Asked Dec. 10	Bid Dec. 3
†Assoc. Tel. & T.	5½	'55	69	72	67
B. C. Power	4½	'60	99	102	99½
B. C. Tel.	4½	'61	105½	108½	105½
†Calgary Pwr.	5	'60	106	109	106
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	104	107	104
*Dom. Gas & El.	6½	'45	101	104	99
Gatineau Pwr.	5	'49	102	105	101½
*Do., A	3½	'69	96	99	96
Gt. Lakes Pwr.	4½	'56	98½	101½	98½
*Int. Hydro-E.	6	'44	66	67	64
▴Inter. Power	6	'55	100	...	100
Macl'n-Que. Pr.	4	'59	96	99	96
Mtl. L. H. & P.	3½	'56	100½	103½	100
Do.	3½	'73	97½	100½	96
†Mtl. Tramways.	5	'41	93½	96½	93½
†Do.	5	'55	63	66	63
Nat. Lt. & Pwr.	6	'49	100	103	99
N. S. Lt. Pr.	4	'57	100½	103½	100
Ottawa H. & P.	4	'57	101	104	100½
Ottawa V. Pwr.	5	'59	102	105	101½
†Power Corp.	4½	'59	96	99	96
Quebec Pwr.	4	'62	100	103	100
*Saguenay P., A.	4½	'66	108	...	108
♦Do., B.	4½	'66	105	108	105
Shaw. W. & P.	4	'61	101	104	101
Union Gas	4½	'50	102	105	102
†United Secs.	5½	'52	61	64	60
Wpg. El., ser. A	4	'65	69	72	68
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	69	72	68½
Acadia Sugar	4½	'55	101	...	101
†Alta. Pa. Grain	6	'46	98	101	98
Atlantic Sugar	4	'51	99½	...	99½
†B. C. P. & Pap.	6	'50	90	93	90
*Brown Co.	5½	'46	52	55	52½
Burns & Co.	5	'58	58½	61½	58½
Canada Bread	6	'41	101	104	101
Canada Cement	4½	'51	103	106	103
Can. Paper	4½	'52	99½	...	99½
Can. Steamship	5	'57	97	100	96½
Can. Canners	4	'51	100½	...	100
*Can. Int. Paper	6	'49	101½	104½	101
C. P. R.	3½	'51	88	91	88
Do.	4	'49	92	95	92
Do.	4½	'44	98	101	98½
Do.	6	'42	103	106	103
†Consol. Paper	5½	'61	70	73	69
Dom. Coal	4½	'52	100½	103½	100½
Dom. Stl. & Co.	6½	'55	108	111	106
Dom. Tar	4½	'51	101	104	101
†Donnacona P.	4½	'56	76	79	76½
Famous Players	4½	'51	99½	102½	99
†Federal Grain	6	'49	98	101	98
†Fraser Cos.	6	'50	97	100	97½
Gen. Stl. Wares	4½	'52	98½	101½	98½
*Great L. Paper.	5	'55	93	96	92½
†Gypsum, Lime	5½	'48	99	102	99
Ham. By-Pr. C.	5	'55	102	105	102
Inter-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	90	93	90
Lake St. J. P.	5½	'61	89½	92½	89½
Maple Leaf M.	3	'58	74½	77½	74½
Massey-Harris	4½	'54	94	97	92
McColl-Fron.	4½	'49	101	104	101
McCormick's	4	'52	96½	99½	96
Mercury Mills	5	'59	91	94	91
*M. & O. Paper	6	'45	52½	55½	52½
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	84	87	84
Price Bros.	5	'37	97½	100½	97
*Prov. Paper	5½	'47	104½	...	104½
Reliance Grain.	4½	'52	94	...	94
†Restigouche Co.	6	'48	96	99	96
Rolland Paper	4½	'51	101½	104½	101½
Simpsons Ltd.	4½	'51	100½	103½	100
Smith, Howard.	4½	'51	103	106	103
*United Gas	5½	'48	103	...	103
United Gr. Grs.	5	'48	96	99	96
†Western Grain	6	'49	50	53	49

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▴Payable in Can. or U. K.
*Payable in U. S. only.
♦Payable in Canada only.

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co., Toronto

Dec. 10, 1940

Winnipeg Stocks

(Transactions from Dec. 2 to Dec. 7)

	Sales	High for period	Low for period	Close Dec. 7
Canadian Fire	10	78.00	78.00	78.00
Dominion Envelope	10	7.00	7.00	7.00
Do., pref.	7	100.00	95.00	95.00
Gurney Gold	1,000	.00½	.00½	.00½
Sachigo River	50	3.00	2.95	2.95
United Grain Growers	1	9.00	9.00	9.00
Wingold	13,500	.09	.07¾	.09
Wings	100	.25	.25	.25
Winnipeg River Tin	4,000	.00½	.00½	.00½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75		Home Invest.	13	..
Beav. Lumber, c.	..	4	Nor. Can. Mtg. p.	5	..
Do., pref.	99	100	Nor. Trusts	7	..
Can. Airways	1	..	Traders Bldg.	43	..
Can. Indemnity	150	..	West. Brew.	1⅞	2
Cres. Cream., pf.	11	13	West. Grain, p.	..	8
Federal Grain, p.	30	35	West. Steel	9½	10

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 10	7,400	19,000	408,000	......
Dec. 9	7,000	4,600	392,000	......
Dec. 7	6,700	3,700	205,000	3,950
Dec. 6	9,200	2,700	31[illegible],000	13,000
Dec. 5	13,000	21,500	465,000	12,088
Dec. 4	10,300	22,900	434,000	19,800

Investment Trusts

	Bid	Asked
Affiliated Fund	2.64	2.89
Can. Amer. Trust	3.15	3.65
Can. Invest. Fund	3.40	3.80
Grouped Income	...	5.15
Trans-Canada	10.45	11.45

Municipal Bonds

Mining Dividends on page 18.

Annual Meetings

Company	Place
1940	
Dec. 13—Hiram Walker-Good.	Walkerville
Dec. 16—MacL. Cockshutt Gold ..	Toronto
Dec. 20—South. Can. Power ...	Montreal
1941	
Jan. 8—Banque Can. Nationale	Montreal

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Jan. 2	Dec. 16
Amal. Electric	25c	Dec. 26	Dec. 10
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	15c	Dec. 31	Dec. 15
Alta. W. Pres., p.	$1.75	Jan. 2	Dec. 23
Aluminium	$2	Dec. 20	Nov. 30
Anglo-Huronian ..	10c	Dec. 30	Dec. 16
Assoc. Brew.	60c	Dec. 21	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
Algoma Steel, pf. .	$2.50	Jan. 1	Dec. 15
Amer. Cyan., A, B	†‡$1.50	Dec. 20	Dec. 6
Do.	†15c	Jan. 2	Dec. 12
Do., pref.	†12½c	Jan. 2	Dec. 12
Acme Glove, pf. ..	$3.25	Jan. 2	Dec. 18
Belding-Cort.	$1	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
B. C. Elec. Pr., pf.	$1.50	Jan. 2	Dec. 20
Bralorne Mines ...	20c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brazilian Tr., p. ..	$1.50	Jan. 2	Dec. 14
Burlington Steel ..	15c	Jan. 2	Dec. 16
Bk. Nova Scotia ..	$3	Jan 2	Dec. 16
Brit. Amer. Oil ...	25c	Jan. 2	Dec. 12
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 16
Bell Telephone	$2	Jan. 15	Dec. 23
Blue T. Brew., A .	30c	Dec. 31	Dec. 15
Borden Co.	†50c	Dec. 20	Dec. 7
B. C. Elec. Rly., pf.	2½%	Jan. 15	Dec. 31
B. C. Power, A ...	50c	Jan. 15	Dec. 31
Bathurst Pr., A ..	25c	Dec. 23	Dec. 5
Broulan Porc.	■3c	Dec. 21	Dec. 6
Brant. Cord., p. ..	32½c	Jan. 15	Dec. 20
Brit. Mortgage	$4	Jan. 2	Dec. 14
Building Prod., ..	17½c	Jan. 2	Dec. 14
Do., extra	10c	Jan. 2	Dec. 14
Can Converters ..	50c	Jan. 31	Jan. 10
Carnation, pfd. ..	†$1.25	Jan. 2	Dec. 14
Cent. Can. Loan ..	$2	Jan. 2	Dec. 16
Canada Bread, pf.	$1.25	Jan. 2	Dec. 16
Do., B. pref.	62½c	Jan. 2	Dec. 16
Can. Celanese	25c	Dec. 31	Dec. 17
Do., extra	40c	Dec. 31	Dec. 17
Do., pref.	$1.75	Dec. 31	Dec. 17
Do., Inc. Fd. rts.	$1	Mar. 15	Dec. 31
Can. Light & Pr. .	50c	Jan. 15	Dec. 26
Can. Pac. Rly., pref.	2%	Feb. 1	Jan. 1
Can. Canners	12½c	Jan. 2	Dec. 14
Do., pref.	25c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Do., 2nd pref. ...	15c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Can. Nor. Power ..	■25c	Jan. 25	Dec. 31
Do., pref.	■$1.75	Jan. 15	Dec. 31
Can. Perm. Mtge. .	$2	Jan. 2	Dec. 14
Can. Cottons	$1	Jan. 2	Dec. 13
Do., pref.	$1.50	Jan. 2	Dec. 13
Carnation, 1st pf. ..	$1.25	Jan. 2	Dec. 14
Chartered Trust ..	$1	Jan. 2	Dec. 16
Consumers' Gas ...	$2.50	Jan. 2	Dec. 14
Canada Packers ...	75c	Jan. 2	Dec. 6
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., extra	2c	Jan. 2	Dec. 3
Can. Breweries, pf.	75c	Jan. 2	Dec. 14
Can. For. Invest., p.	$2	Jan. 1	Dec. 15
Canadian Oil, pf. ..	$2	Jan. 2	Dec. 20
Can. West'ghouse	■87½c	Jan. 1	Dec. 16
Can. Wire Box, A	37½c	Jan. 2	Dec. 16
Cel. of Am. pr. pf.	†$1.75	Jan. 1	Dec. 17
Do., part. pfd. .	†$3.50	Dec. 31	Dec. 17
Can. Gen. Elec. ...	$2	Jan. 2	Dec. 14
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. Malartic G. ..	■2c	Dec. 17	Nov. 28
Can. Indemnity ...	$3	Jan. 2	Dec. 20
Do., bonus	$2	Jan. 2	Dec. 20
Canadian Fire	$2	Jan. 2	Dec. 20
Confederation Life	$1.50	Dec. 31	Dec. 25
Cons. Smelters	50c	Dec. 31	Nov. 30
Do., extra	75c	Dec. 31	Nov. 30
Can. Indust., A, B	$1.75	Dec. 20	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Chartered Trust ...	$1	Jan. 2	Dec. 16
Cent. Patricia	4c	Jan. 2	Dec. 12
Do., extra	2c	Jan. 2	Dec. 12
Com. Alcohol, pf. .	10c	Jan. 15	Dec. 31
Coronation Rylts. ..	1½c	Dec. 31	Dec. 20
Can. Wineries	15c	Jan. 9	Dec. 19
de Havilland Air., p.	$7	Dec. 28	Dec. 16
David & Frere, A .	25c	Dec. 31	Dec. 16
Dom. Textile	$1.25	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Deb. & Secs., pref.	$2.50	Jan. 1	Dec. 23
Dominion Coal, pf.	38c	Jan. 2	Dec. 14
Dome Mines.......	■50c	Jan. 20	Dec. 31
Do., ...	■50c	Apr. 21	Mar. 31
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Dom. Glass	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Dom. Woollens, pf.	▲60c	Jan. 2	Dec. 14
Dunlop Tire	50c	Dec. 27	Dec. 16
Do., pref.	62½c	Dec. 31	Dec. 16
Easy Wash., pf. ..	17½c	Jan. 2	Dec. 20
Electrolux	†25c	Dec. 23	Dec. 5
Four Star Pete. ..	1c	Jan. 15	Jan. 2
Famous Players ...	25c	Dec. 27	Dec. 17
Fanny Farmer ...	†37½c	Dec. 20	Dec. 5
Do., extra	†25c	Dec. 20	Dec. 5
Ford Motor, A, B..	25c	Dec. 21	Nov. 30
Francoeur Gold ...	▲3c	Dec. 20	Dec. 5
Foundation Co. ...	25c	Jan. 18	Dec. 31
Foundation Pete. ..	1c	Dec. 31	Dec. 20
Gatineau Pwr., p.	$1.25	Jan. 1	Nov. 30
Do., 5½% pref. ..	$1.38	Jan. 1	Nov. 30
Do., com.	20c	Dec. 31	Nov. 30
Greening Wire	15c	Jan. 2	Dec. 16
Gt. L. Pap., A, B, p.	50c	Dec. 31	Dec. 21
Goodyear Tire	63c	Jan. 2	Dec. 14
Do., pref.	62½c	Jan. 2	Dec. 14
Grt.-West Life	$3.75	Jan. 2	Dec. 20
Halifax Fire	50c	Jan. 2	Dec. 10
Harding Carpets ..	10c	Jan. 2	Dec. 17
Do., extra	5c	Jan. 2	Dec. 17
Hart Battery	10c	Dec. 31	Dec. 10
Do., extra	15c	Dec. 31	Dec. 10
Ham. Cotton, pf. ..	50c	Jan. 2	Dec. 14
Do., arrears	$1.25	Jan. 2	Dec. 14
Hard Rock G.	5c	Dec. 20	Nov. 30
Ham. Un. Theat., p.	$1.25	Dec. 31	Nov. 30
Hinde & Dauch ...	12½c	Dec. 20	Dec. 10
Hollinger Cons. ..	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Honey Dew	50c	Jan. 2	Dec. 14
Hudson's Bay, pf.	2½%	Jan. 1	Nov. 30
Huron & E. Mtge. .	1%	Jan. 2	Dec. 14
Howey Gold	3c	Dec. 31	Nov. 30
Imp. Tobacco, ord.	10c	Dec. 31	Dec. 6
Inter. Nickel, c. ..	50c	Dec. 31	Dec. 2
Inter. Nickel, pf.	†$1.75	Feb. 1	Jan. 2
Int. Paints, pfd.	$1	Jan. 10	Dec. 11
Do., arrears	25c	Jan. 10	Dec. 11
Int. Pap. & Pr., pf.	$1.25	Dec. 28	Dec. 20
Do., arrears	$1.25	Dec. 28	Dec. 20
Inter. Power, pf. ..	$1.75	Jan. 2	Dec. 14
Invest. Found., pfd.	75c	Jan. 15	Dec. 31
Kerr-Add. Gold ..	5c	Dec. 20	Nov. 30
Little Long Lac ...	10c	Dec. 21	Dec. 7
Landed Bank.	$1	Jan. 2	Dec. 14
Lamaque Gold	10c	Jan. 1	Dec. 6
Levy Bros., c.	15c	Dec. 27	Dec. 12
Lang, J. A.	17½c	Jan. 2	Dec. 15
Mansfield Th., pfd.	$1.75	Dec. 30	Dec. 20
Mitchell, J. S., p. .	$1.75	Jan. 2	Dec. 16
Mitchell, Robt.	50c	Dec. 20	Dec. 10
McColl-Fron., p. ..	$1.50	Jan. 15	Dec. 31
McManus Pete. ...	30c	Jan. 3	Dec. 26
Do., pref.	30c	Jan. 3	Dec. 26
Midland Loan	40c	Jan. 2	Dec. 14
Moneta Porc.	3c	Jan. 15	Dec. 31
Mount Zeballos G.	▲10c	Dec. 28	Dec. 16
Moore Corp.	†50c	Jan. 2	Dec. 7
Do., extra	†60c	Jan. 2	Dec. 7
Do., A, B, pref.	†$1.75	Jan. 2	Dec. 7
McIntyre Porc.	$1.11	Jan. 2	Nov. 1
MacLeod-Cockshutt	10c	Dec. 20	Nov. 30
Model Oils	2c	Dec. 21	Dec. 2
Modern Contain. ..	20c	Jan. 1	Dec. 20
Do., extra	10c	Jan. 1	Dec. 20
Do., pref.	$1.37½	Jan. 1	Dec. 20
Marcus Loew's, pf.	$3.50	Dec. 21	Dec. 7
Melchers, pref	30c	Dec. 20	Dec. 4
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 14
Do., extra	$1	Jan. 2	Dec. 14
Nan.-Dunc. U., p.	81¼c	Dec. 2	Nov. 15
National Trust	$2	Jan. 2	Dec. 20
Niag. W. Weav. ...	50c	Jan. 2	Dec. 30
N. S. Lt. & Pr., ord.	$1.50	Jan. 2	Dec. 14
Naybob Gold	▲1c	Jan. 15	Jan. 1
Do.	1c	Apr. 15	Apr. 1
Nat. Grocers, pf. .	37½c	Jan. 1	Dec. 14
Nat. Biscuit	†40c	Jan. 15 '41	Dec. 13
Nat. Steel Car	50c	Jan. 15	Dec. 31
North Star Oil, p. .	8¾c	Jan. 2	Dec. 16
Neon Pr. W. Can.	35c	Dec. 20	Dec. 5
Nat. Breweries	50c	Jan. 2	Dec. 14
Do., pref.	43c	Jan. 2	Dec. 14
Nat. Steel Car	50c	Jan. 15	Dec. 31
North. Emp. Mines	10c	Dec. 27	Dec. 13
Ogilvie Flour, c. ..	25c	Jan. 2	Dec. 17
Ont. Loan & Deb.	†$1.25	Jan. 2	Dec. 16
Ottawa Elec.	30c	Dec. 30	Dec. 16
Ottawa L. H. Pr. ..	25c	Jan. 1	Nov. 23
Do., pref.	$1.25	Jan. 1	Nov. 23
Porto Rico Pwr., p.	$1.75	Jan. 2	Dec. 14
Power Corp.	15c	Feb. 1	Dec. 31
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref. ...	75c	Jan. 15	Dec. 31
Preston E. Dome ..	5c	Jan. 15	Dec. 31
Do. extra	5c	Jan. 15	Dec. 31
Pioneer Gold	10c	Jan. 2	Nov. 30
Perron Gold	4c	Dec. 21	Nov. 30
Do., extra	1c	Dec. 21	Nov. 30
Pickle Crow	10c	Dec. 31	Dec. 16
Page-Hersey	$1.25	Jan. 2	Dec. 16
Price Bros., p. ..	$1.37½	Jan. 2	Dec. 21
Do., arrears .	*$1.37½	Jan. 2	Dec. 21
Remington Rand .	†20c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 17
Regent Knit.	25c	Dec. 30	Dec. 14
Do., pref.	40c	Dec. 30	Dec. 14
R. S. Mills, A	50c	Jan. 2	Nov. 19
Russell Indust.	20c	Dec. 26	Dec. 10
Do., pref.	$1.75	Dec. 26	Dec. 10
Stedman Bros. ...	15c	Jan. 2	Dec. 20
Do., pref.	75c	Jan. 2	Dec. 20
Sun Life Assur. ..	$3.75	Jan. 1	Dec. 16
Sterling Trusts ...	$1.50	Jan. 2	Dec. 20
Sher.-Williams, pf.	$3.50	Jan. 2	Dec. 15
Sylvanite Gold	†5c	Dec. 28	Nov. 6
Do., extra	†5c	Dec. 28	Nov. 6
South. Can. Pr. ...	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
Simon & Sons	15c	Dec. 21	Dec. 7
Do., pref.	$1.75	Dec. 21	Dec. 7
St. Law. Corp., A	25c	Jan. 15	Jan. 2
Do., extra	90c	Dec. 23	Dec. 10
St. Law. Paper, p.	50c	Jan. 15	Jan. 2
Do., extra	$2	Dec. 23	Dec. 10
Supersilk H., pf. ..	$2.50	Jan. 2	Dec. 13
Supertest P., c. ord.	50c	Jan. 2	Dec. 13
Do., extra	25c	Jan. 2	Dec. 13

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

THURSDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fourteenth day of December, 1940.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, November 20th, 1940.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the One Hundred and Fourteenth and One Hundred and Fifteenth Quarterly Dividends of One and Three-quarters per cent. (1¾%) each, being at the rate of Seven per cent. (7%) per annum for each of the Quarters ending November 30, 1939 and February 29, 1940, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of December, 1940, and that cheques will be mailed January 2, 1941.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Quebec. November 19, 1940.

DIVIDEND
Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1940, payable January 2nd, 1941, to shareholders of record at the close of business December 16th, 1940.

By Order of the Board.

E. W. McNEILL, Secretary.

Dated at Toronto, November 21st, 1940.

Acme Glove Works Limited
DIVIDEND NOTICE

A dividend of Three and One Quarter Per Cent (3¼%) has been declared upon the 6½% Cumulative Preferred Shares of Capital Stock of this Company, to be paid on the second day of January, 1941, to shareholders of record at the close of business on December 18th, 1940.

By Order of the Board.

C. H. DAWSON, Secretary.

Montreal. December 4th, 1940.

SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office : Montreal

Stock Transfer Department

Notice is hereby given that a dividend of three dollars seventy-five cents ($3.75) per share on the capital stock of the Company has been declared for the quarter ending December 31st, 1940, and will be paid on January 1st, 1941, to shareholders of record at the close of business on December 16th, 1940.

The stock transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,

F. J. CUNNINGHAM, Secretary.

BRALORNE MINES LIMITED
(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of January, 1941, to shareholders of record as of December 31, 1940.

By Order of the Board,

RONALD GRACE, Secretary-Treasurer.

Vancouver, B.C., December 2nd, 1940.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Do., B, pref.	75c	Jan. 2	Dec. 13
Securities Hold., p.	65c	Jan. 2	Dec. 20
Sheep C. Gold	4c	Jan. 15	Dec. 31
Smith, H. Pap., p. .	$1.50	Jan. 15	Dec. 31
Sec., C. Int. Inv., p.	10c	Dec. 2	Nov. 15
Stand. Fuel, pf. ..	$1	Jan. 1	Dec. 14
Teck-Hughes	■10c	Jan. 1	Dec. 6
Tamblyn..........	20c	Jan. 2	Dec. 12
Do., pref.	62½c	Jan. 2	Dec. 12
Tip Top Tailors, Inc., p.	$1.65	Nov. 20	Oct. 31
Toburn G. extra ..	4c	Dec. 27	Dec. 10
Toronto Mortgage .	$1.25	Jan. 2	Dec. 14
Tor. Gen. Trusts ..	$1	Jan. 2	Dec. 14
Traders Fin., A, rts.	$1	Jan. 2	Dec. 16
Do., B, rights ...	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	....
United Fuel, A pfd.	75c	Jan. 2	Dec. 20
Viau, pref.	$1.25	Jan. 2	Dec. 20
Ventures	■10c	Dec. 21	Nov. 29
Weston, Geo., c. ...	20c	Jan. 2	Dec. 12
Western Grocers ..	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
West. Koot. Pr., pf.	$1.75	Dec. 31	Dec. 16
Wilsil	25c	Jan. 2	Dec. 14
Wr.-Hargreaves ...	11.1c	Jan. 2	Nov. 20
Do., extra	5.55c	Jan. 2	Nov. 20
Do., interim	11.1c	Jan. 20	Dec. 2

†Payable in U. S. funds.
■Subject to approval by Foreign Exchange Control Board.
▲Initial.
‡Paid in 5% cum. conv. pf. stock 2nd series in 1939, 3rd series in 1940. Fractional shares or scrip paid in cash.
*Arrears eliminated after Jan. 2/41 payment.

Wanted: Manufacturers Life; Dom. of Can. Gen. Ins.; Guelph Carpet com.; Acme Farmers pref.; Marcus Loew's com.; Toronto Carpet com.

A. J. Pattison, Jr. & Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

DIVIDEND NOTICES

THE STERLING TRUSTS CORPORATION
DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1½% for the current half year ending Dec. 31st, 1940, has been declared on the paid up capital stock of the Corporation, and will be payable on Jan. 2nd, 1941, to shareholders of record at the close of business on Dec. 20th, 1940.

By order of the Board.

JAMES R. LOVATT, Secretary.

Investment Foundation Limited
Preferred Dividend No. 47

A regular Dividend of 75 Cents per share has been declared on the 6% Cumulative Convertible Preferred Stock of this Company, for the Quarter ending December 31, 1940, payable January 15, 1941, to shareholders of record December 31, 1940.

By Order of the Board,

R. M. BROWN, Secretary-Treasurer.

The Toronto Mortgage Company
Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1941

to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board,

WALTER GILLESPIE, Manager.

5th December, 1940.

The Canadian Light and Power Company

NOTICE is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31, 1940, payable January 15, 1941, to shareholders of record December 26, 1940.

By Order of the Board.

H. G. BUDDEN, Secretary.

Montreal, December 9, 1940.

Moneta Porcupine Mines Limited
(No Personal Liability)

DIVIDEND No. 10

NOTICE is hereby given that a dividend of three cents per share has been declared by the Directors of Moneta Porcupine Mines Limited (No Personal Liability) payable in Canadian funds on January 15th, 1941, to Shareholders of record December 31st, 1940.

By Order of the Board.

H. B. CLEARIHUE, Secretary-Treasurer.

Toronto, Ontario, December 9th, 1940.

Hollinger Consolidated Gold Mines Limited
DIVIDEND NUMBER 339
EXTRA DIVIDEND NUMBER 68

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1940, to shareholders of record at the close of business on the 16th day of December, 1940.

DATED the 7th day of December, 1940.

I. McIVOR, Assistant Treasurer.

WESTERN GROCERS LIMITED
NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares, 1¾% for the current quarter, payable January 15th, 1941, to shareholders of record December 20th, 1940.

On the Common Shares, 75c per share, payable January 15th, 1941, to shareholders of record December 20th, 1940.

By Order of the Board.

W. P. RILEY, President.

BRITISH COLUMBIA POWER CORPORATION LIMITED
DIVIDEND No. 50

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending December 31st, 1940, payable by cheque dated January 15th, 1941, to shareholders as of record at the close of business on Tuesday, December 31st, 1940: such cheques will be mailed on January 13th, 1941, by the Montreal Trust Company from Vancouver.

By Order of the Board,

ERNEST ROGERS, Secretary

Vancouver, B.C. December 6th, 1940.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Stock Dividend No. 52.

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per share being at the rate of 6 per cent. per annum has been declared on the 6 per cent. cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending December 31st, 1940, payable January 15th, 1941, to shareholders of record at the close of business December 31st, 1940.

By Order of the Board,

FRED HUNT, Secretary.

November 27th, 1940.

J. J. PAGE — D. I. WALKER — A. R. MACKENZIE, C.A.

WESTERN CANADA CHANGES

Important changes in the executive direction of Western Canada Flour Mills Co. are announced.

G. R. Cottrelle, who has been acting president of the company for the past year, was elected president, R. H. D. Ker was re-elected a vice-president, and J. J. Page, formerly general manager, was made a vice-president.

D. I. Walker, formerly assistant general manager, was appointed general manager, and A. R. MacKenzie was made assistant general manager and will also continue as comptroller.

J. J. Page, the new vice-president, joined the company at its Goderich office in 1904. He has spent his entire business career with the company in various capacities, and has served for the past fifteen years as general manager.

D. I. Walker, the new general manager, has also been with the company for over thirty years. Mr. Walker joined the traffic department of the company at Winnipeg in 1910, serving successively as traffic manager, local manager at Toronto, Eastern Manager, and for the past year as assistant general manager.

A. R. MacKenzie, who has been comptroller for the past three years, was formerly comptroller of the Union Gas Company, Chatham, and brings to his new position a wide experience in Canadian industrial and financial affairs.

An executive committee has been appointed from the board of directors as follows: A. J. Mitchell, G. R. Cottrelle, J. H. Gundy, I. C. Hall and J. A. Kilpatrick.

Flour Output Trend Down; Exports Up

October Peak Off But Exports Highest Since December, 1939

From Our Own Correspondent

MONTREAL. — Flour production of Canadian mills in October was lower than in either of the corresponding months of 1939 or 1938. Output totalled 1,872,514 bbls., against 2,089,562 bbls. in the same month last year and 1,906,386 bbls. in Oct., 1938. October output, however, was the highest since last November.

Flour Export Rises

Flour exports, however, continue to move at near record levels. In November total export amounted to over 682,000 barrels, far the best for this month in the last five years. October total of 750,000 bbls. was the highest for any month since December, 1939, when 902,000 bbls. were shipped. Details are as follows:

Canadian Flour Exports

November:	Bbls. Quantity	Value $	Average Export Price $ c.
1937	405,921	2,431,046	5.989
1938	477,875	1,560,868	3.266
1939	572,810	1,847,100	3.225
1940	682,718	2,343,993	3.433
Eleven mos. ended November:			
1937	3,749,333	21,906,212	5.843
1938	3,546,801	16,479,797	4.646
1939	4,439,458	13,338,088	3.004
1940	6,625,291	25,135,082	3.794

Big Wheat Order Stirs Vancouver

Buying for Chinese Mills in Jap Controlled Area is Questioned

From Our Own Correspondent

VANCOUVER.—The grain trade of Vancouver, in the doldrums since before the war as a result of diversion of most of the export business through Atlantic ports, has been aroused by the placing of orders for 11,000 tons (approximately 360,000 bushels) of wheat for early delivery to Shanghai.

The order in itself would be enough to bring the trade back to life, but more interest is being shown in the destination than in the fact that ships will soon be moving grain from this port in fair volume.

Some exporters claim that the wheat will eventually be taken over by the Japanese or the Japanese puppet government in China, possibly for the feeding of Nipponese troops carrying on the undeclared war against free China, For that reason several houses turned down previous offers made through the Japanese firm of Mitsubishi.

The companies handling the present orders are Bunge Grain Corporation and Louis Dreyfus & Company.

These houses contend that the wheat is for delivery to Chinese mills not controlled by Japanese and that they have no good reason to suspect that the wheat will get into the hands of the Axis partner.

On the other hand, exporters experienced in the Oriental market state that even in normal times China never placed such large orders for wheat, and that there is every reason to believe that "special reasons" are behind the contract.

DIVIDEND NOTICES

Canadian Pacific Railway Company
DIVIDEND NOTICE

At a meeting of the Board of Directors held today, a final dividend of two per cent on the Preference Stock in respect of the year 1940, was declared, payable on February 1, 1941, to shareholders of record at 3 p.m. on January 1, 1941.

By Order of the Board,

FREDERICK BRAMLEY, Secretary.

Montreal, December 9, 1940.

Canadian Wineries Limited
DIVIDEND

Notice is hereby given that a dividend of fifteen cents (15c) per share has been declared on the shares of this Company, payable January 9th, 1941, to shareholders of record at the close of business on December 19th, 1940.

By Order of the Board.

H. C. UPPER, Secretary.

Dated at Toronto, December 9th, 1940.

Week in Wheat

Prices Up Slightly
Most Wheat to Board

Better Open Price Fails to Tempt Farm Deliveries—Heavy Movement From Country Points But Cannot Continue

From Our Own Correspondent

WINNIPEG.—Wheat prices on the Winnipeg market showed some degree of strength this week. Volume of transactions, however, remained limited, as the majority of farmers continue to turn grain in to the Wheat Board. Even a three-cent premium in the open market over the Wheat Board initial price failed to attract more than a small fraction of the No. 1 Northern coming into elevators. On lower grades, where the spread in favor of the open market is wider there is a greater tendency to sell outright.

Canadian mills provide practically all the buying, although there are occasional purchases by United States firms for milling in bond.

Country deliveries have again been large, heavy clearances from head terminals for shipment down the lakes or for winter storage on vessels relieved the congested elevator situation. This enabled the railways to increase shipments from country elevators, and in turn made room for acceptance of more wheat from farmers. While last Saturday's deliveries in the country were almost two million bushels, this is at a rate which could not be maintained for long, and a great number of country elevator points must soon be completely congested again.

Final Lake Movement

Shipments of wheat down the lakes have been continuing at the rate of approximately one millions bushels a day since the beginning of this month, when insurance rates were increased. Another couple of days, however, will probably see the end of the movement until next spring.

Just how much of the end of the season shipments will remain in winter storage on vessels will depend on the situation at eastern lakes ports. Total volume of this type of storage, however, will probably be less than 25 million bushels, instead of the considerably larger volume anticipated earlier.

The fact that many lake carriers were kept busy with eastern merchandise traffic had some effect in reducing the volume of available space. So also had heavy shipments of United States corn. Forwarders were getting the latter grain in position for winter business in the East, and were also preparing themselves to meet any demand for corn for export which might develop during the winter.

• • •

Big U. S. Holdings

The United States Government, while relatively not as deeply into the wheat business as the Canadian authorities, is in a fair way to become the owner of a great volume of wheat. Quantity of wheat on which government loans have been taken now amounts to 263 million bushels. Farmers need not repay the money they have borrowed. Instead, when the loans fall due in the spring, they may deliver their pledged grain to the Government, and they will do so unless the market price is more than what they owe.

• • •

New Wheat Policy

Possible changes in government wheat policy are due for a good deal of discussion in western Canada during the next two weeks. The advisory committee of the Canadian Wheat Board is expected to consider the problem and also a meeting of the Canadian Chamber of Agriculture in Regina. The boards of the three wheat pools are also understood to be planning a conference.

Among operators of smaller farms the idea is gaining in popularity that there might be restriction of deliveries and more favorable price from farms growing more than 1,500 bushels of wheat. Larger farmers are naturally opposed, but there are not so many of them, and they may not exercise so much influence in public discussions that take place.

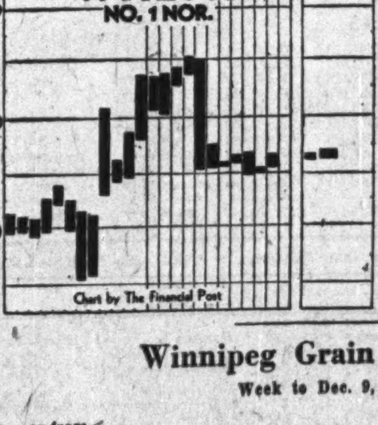
Consultation with the western farmers who grow wheat and the trade that handles it is of the utmost importance, says James Richardson & Sons current weekly grain letter, in referring to the statement of Hon. J. A. MacKinnon, Minister of Trade and Commerce, in the House of Commons on Nov. 22 that, unless there are unexpected developments, "the 1941 wheat policy will have to be decided on with a knowledge that . . . only between possible 140 and 175 million bushels can be exported in the year ending July 31, 1942."

"The problem is complicated still further by the presence of a store of wheat accumulated from the 1939 and 1940 crops. . . . As far as can be seen now, all existing elevator accommodation will be filled to capacity by July 31, 1941.

"Such a strict limitation on deliveries means an equally strict limitation on the flow of income from wheat. Will some system of financing on farm-held grain become necessary? The whole question of storage accommodation and marketing arrangements demands the most careful study.

"Wheat plans for 1941, then, must face and deal with two basic difficulties: curtailed export markets and limited elevator accommodation. In other words, our problem is not only how much wheat to grow, but where to put what we do grow, and how to pay farmers for growing it."

Wheat Prices



Cash Quotations

	For Week Dec. 9 High	For Week Dec. 9 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard .	.74	.72⅝	.73	.72⅜
1 Nor. ..	.74	.72⅝	.73	.72⅜
2 Nor. ..	.71⅛	.70⅛	.70⅞	.70½
3 Nor. ..	.68⅜	.66⅝	.69	.66¾
4 Nor. ..	.65	.64⅛	.66¼	.64
5 Wheat .	.62⅛	.60⅛	.62¼	.61½
6 Wheat .	.61	.59⅝	.60	.59½
Feed	.57	.55⅛	.56	.55½
Oats				
2 C. W. .	.35¾	.32⅛	.36⅛	.35⅜
3 C. W. .	.33¼	.29⅝	.34⅝	.32⅞
Barley				
1 Feed ..	.40⅝	.38½	.42⅝	.38⅝
2 Feed ..	.40⅛	.38	.41⅝	.38
Flax:				
1 C. W. .	1.31¼	1.27¾	1.31¼	1.28½
2 C. W. .	1.26½	1.23¾	1.27¼	1.24½
Rye:				
2 C. W. .	.46⅞	.45⅝	.46⅝	.46⅛

Winnipeg Grain Futures

Week to Dec. 9, 1940

Crop year from Aug. 1, 1940 High	Low		Open Dec. 3	High for week	Low for week	Close Dec. 9	Close year ago
		Wheat					
.74⅝	.71⅝	Dec.	.73	.74	.72⅜	.74	.81¼
.77⅞	.75⅛	May	.77⅛	.77⅞	.76⅜	.77⅞	.85⅛
.79½	.77½	July	.78⅞	.79½	.78⅝	.79½	.86⅝
		Oats					
.34⅞	.25⅝	Dec.	.33⅛	.33¾	.32⅛	.33⅛	.37⅛
.33¾	.26⅝	May	.32⅜	.33⅜	.31⅝	.32¼	.37⅝
.32⅝	.29½	July	.31⅞	.31⅞	.30¼	.30⅞	.37⅛
		Barley					
.48½	.30½	Dec.	.43¼	.44	.42⅛	.43⅝	.48⅞
.46⅞	.33⅝	May	.43⅛	.44⅝	.43	.44⅝	.50⅛
.44⅞	.39⅞	July	.42⅛	.42¾	.41¼	.42⅝	.50⅛
		Flax					
1.34⅛	1.15¼	Dec.	1.29¾	1.31⅛	1.27⅛	1.30	1.72½
1.39⅝	1.16	May	1.32⅜	1.35⅛	1.31¾	1.34⅛	1.76½
1.37⅜	1.20⅛	July	[illegible]	[illegible]	1.33	1.35¾	1.75½
		Rye					
.49⅛	.40¾	Dec.	.46¼	.46⅛	.45½	.45⅛	.68½
.52	.44¼	May	.49⅞	.49⅝	.48	.49½	.71¼
.50⅝	.49⅝	July	.....	.50¾	.49⅝	.49⅝	.70

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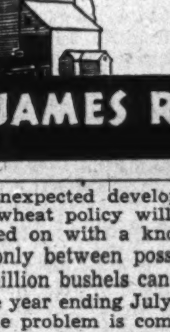

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Week in Mining

Mine Stocks Go Higher With Juniors Leading

Numerous Issues Pushed to New Highs For This Year or Longer — Continued Favorable Developments Given as Cause

Mining markets turned higher in the early days of this week following several weeks when trading had been more or less of a listless character. Numerous issues hit new highs for the year or longer, among them being Broulan Porcupine Mines, Chesterville Larder Lake, Kerr-Addison Gold Mines, San Antonio Gold Mines and Upper Canada Mines.

With the international situation no worse, traders were apparently willing to exchange stocks at higher prices on reports of good news. Kerr-Addison was stated to have extended greatly the ore in its No. 21 ore body at the 1,300-ft. level, causing strength in this issue. The adjoining Chesterville Mine has cut what is believed to be the extension of the Kerr-Addison No. 21 ore body in a drill hole, resulting in a rise in that company's shares also.

Strength in the shares of San Antonio Gold Mines is believed to have been due to a fuller appreciation of the company's improved mine position and the scheduled increase in mill capacity from 325 to 550 tons daily announced recently.

Upper Canada Mines continues to produce at record levels and it has reported a surface drill hole put down to 1,000 ft. depth near the boundary with Eastward Mines has returned "interesting information." Strength in shares of Broulan Porcupine Mines may be partly attributable to strength in shares of Bonetal Porcupine, which the company is financing.

Nickel Repatriated

Little is heard these days about repatriation of securities from the United Kingdom, but apparently it is under way nevertheless. According to Barron's, the United States financial weekly, the heaviest selling in the United States for repatriation has been in International Nickel.

Apparently the selling has been of an orderly character for Barron's has this to say about it:

"Notwithstanding the thin market, the English were discreetly selling stocks where possible. As usual, there was no disposition to force the absorptiveness of the market, the liquidation being conducted with extreme care."

Dividend Surprises

The end of the year brings at least two dividend surprises. The first was the declaration of a special dividend of four cents a share by Toburn Gold Mines which had previously been paying 16 cents a share per annum in dividends. The new special declaration was reflected quickly in higher prices for the company's stock.

The second dividend surprise was Mount Zeballos Gold Mines which has declared its initial dividend of 10 cents a share payable Dec. 28 to shareholders of record Dec. 16. This makes the 26th company to start dividends this year. With 1,100,000 shares issued, Mount Zeballos will pay out $110,000.

Coal by Pipe Line

Interests in the United States are understood to be working on a novel project — transportation of coal by pipe line.

Research work on this project has been under way for some time and it is understood that construction of an initial 200-mile pipe line from coal fields into Cleveland is now being considered. Methods evolved call for the coal to be ground to dust at the pithead and then suspended in water in colloidal solution. Certain reagents have been found by chemists to keep the coal in solution.

Pumping methods would be similar to those used on oil lines. One difficulty faced is the fact that the line will have to be laid deeper than an oil line to keep it away from frost.

Mining Possibilities

When the next mining boom comes along, the stretch of ground between Kirkland Lake and Noranda may be given an extensive going over as one of the most favorable areas in Canada for the finding of further gold mines.

Not long ago this area was almost entirely discredited from a mining viewpoint. East Kirkland Lake had proved a headache as far as bringing new mines into production was concerned. Larder Lake, too, had absorbed a great deal of wealth without any concrete return.

Now the situation is entirely changed. In East Kirkland Lake, Upper Canada has established itself as one of the most important of the new mines opened up in recent years. Possibilities of the whole area are once more being canvassed. In the Larder Lake area, Kerr-Addison Gold Mines has proved itself as a mine of major dimensions while Chesterville Larder Lake adjoining is also broadening out.

There is still a large amount of untested territory between Kirkland and Larder Lakes and still more between Larder Lake and Noranda. All on the same main break, it appears to be ideal ground for seeking new deposits, many people think.

Look for Copper

A new enterprise to test the copper-zinc possibilities in the Rouyn area is Gan Copper Mines. J. G. MacGregor, the company's consulting engineer, played an important part in discovery of the new Waite Amulet ore body through work at the adjoining Lake Dufault property. He states an area of dalmatianite has been exposed 2,000 ft. by 1,500 ft. on the Gan property.

This delmanite formation was a key to the Waite Amulet discovery and it is considered favorable for discovery of other ore bodies in the general area. A programme of diamond drilling is to be carried out on the company's property on the recommendation of Mr. MacGregor. Before this, however, the property will be surveyed and mapped for guidance in spotting drill holes.

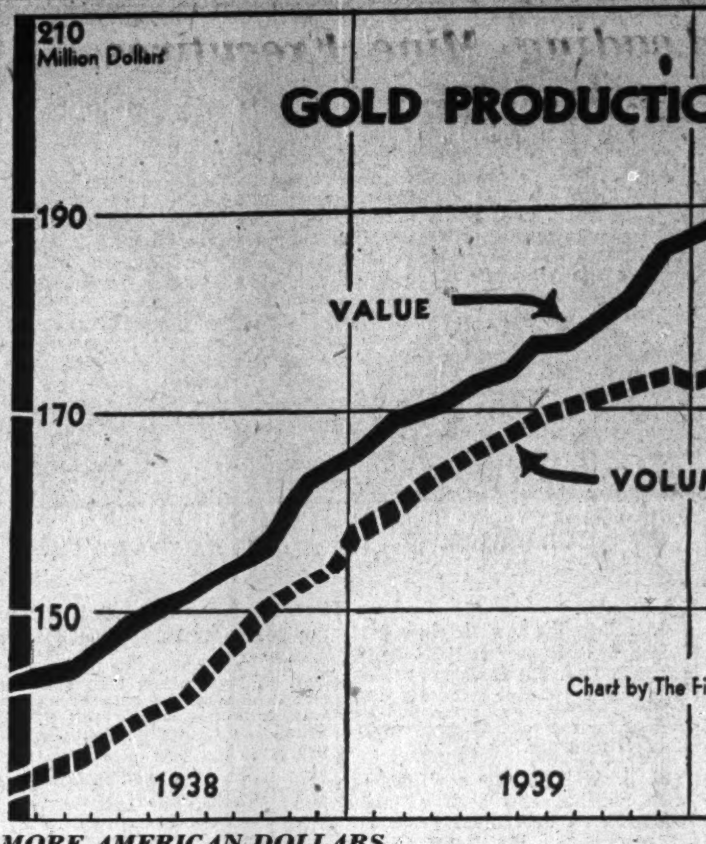
Paymaster Winze Down 2,575 Ft.

Drive is Being Extended East at the 2,575-ft. Level

Sinking of the new winze from the 2,075-ft. level of Paymaster Consolidated Mines has now reached a depth of 54 ft. below the 2,575-ft. station and stations have been cut at 2,075, 2,200, 2,325, 2,450 and 2,575 ft., the company reports.

Driving east at the 2,575-ft. level has now been carried a total distance of 2,039 ft. from No. 5 shaft with 887 ft. remaining to be driven before connecting up with the new winze at this horizon. The last 240 ft. of drifting has been on the No. 18 vein structure but so far has not made ore.

Starting at a point 1,750 ft. east of No. 5 shaft in this drive, a crosscut has been driven 117 ft. north. This drive has been temporarily discontinued but will shortly be continued to cut the No. 3, No. 14 and No. 27 veins. The distance from the present face to the No. 3 vein is approximately 147 ft. while the distances to the No. 14 and No. 27 veins are 550 and 812 ft., respectively.



MORE AMERICAN DOLLARS

Showing an almost unbroken increase since the outbreak of war, value of Canadian gold production this year is expected to reach the record figure of $205 millions, providing a great quantity of badly-needed foreign exchange.

Although value of output displays a greater gain than output, due to the rise in the Canadian price for gold from $35 to $38.50 an ounce, quantity of gold also has been increasing despite the tendency to treat a lower ounce grade of ore because of the higher price for gold.

Week in Oils

Production Released

From Our Own Correspondent

CALGARY.—Confirming predictions made in a survey of Alberta oil production made in The Financial Post of Nov. 30 preliminary figures on Nov., 1940, production were issued by the Alberta Conservation Board last week.

In round figures it was estimated that Turner Valley oil well production for November would approximate 839,000 bbls. This would average about 27,966 bbls. daily as compared with the daily allotment of 25,400 bbls. per day set forth in the Conservation Board allotment schedule for November.

The foregoing estimate, together with estimated production from gas wells, absorption plants, and production from other wells in the province, will bring Alberta's total to between 860,000 and 870,000 bbls. for November.

This compares very favorably with the all-time high for the province which was set during July, 1939, a period when the field was opened to its limit to meet summer demands. Yield for that month was 877,005 bbls.

Wider Mart

Further widening of Turner Valley market hinges on three main points, according to Robert E. Allen, chairman of the Alberta Conservation Board. First need is a reduction in freight rates. At present the valley market extends to Portage La Prairie.

However, an 1,800 to 2,000 barrel per day market in Winnipeg is being lost because that city is in another freight zone and it is cheaper to bring fuel from Sarnia, Ont., by water and rail than to bring in the Turner Valley product under the present rates. According to information obtained by The Post, North Star Oil Co. will begin using Turner Valley crude at its Winnipeg refinery shortly.

Tax Abolition Advocated

A sharp reduction or complete removal of taxes on drilling equipment, imported to drill wells in Alberta is advocated. This added cost on drilling equipment further increases cost of putting down wells and retards return of money to investors, it is felt.

Thirdly, an adjustment of taxes on oil producers is considered necessary to stimulate search for oil in other fields. Since, to date, no other field in the Turner Valley class has been discovered in Alberta, the search for more oil-fields must be intensified, and allowance made for losses incurred in the search.

Allied Well Location

Announcement of location for Allied Royalties No. 2 was made on Dec. 3. The site has been surveyed and the drilling permit issued. The location is in L.S.D. 15 6-19-2w5, quarter of a mile west of recently completed Allied Royalties No. 1, on the southern part of the central west flank of Turner Valley. The interests who backed the Allied 1 well are providing a large part of the funds for the No. 2 well through the purchase of preferred net royalty.

Backers of the test will include W. C. Fisher, A. H. Mayland, George Harris and drilling contractors Snyder & Head. The Snyder & Head rotary last used to complete Pacific Pete. No. 5 will be moved on to the location. Spudding is slated to get under way in about two weeks.

Home Well Started

Home Oil Co. started another of its wells in the north end on Dec. 6. This is Home-Millarville No. 7, located in L.S.D. 14 33-20-3w5. The location is half a mile north of Home-Millarville No.2 and just over a quarter of a mile southeast of Pathfinder Incomes No. 2. Under the December allotment schedule, Incomes 2 has a quota of 405 bbls. daily while Home 2 has a quota of 380 bbls.

On Dec. 8 another test of the Central West Flank got under way in L.S.D. 14 7-19-2w5. This well, Anglo-Canadian No. 9 is being drilled under contract by Drilling Contractors Ltd. with the heavy duty rotary last used to deepen the Anglo-Canadian Steveville No. 2 well. Site of the test is midway between Calmont-Northwest No. 1 to the north and Anglo-Canadian No. 8 to the south. Depth to the Madison will be in the neighborhood of 7,200 ft. Gross Royalties payable on the well are 20%, including 15% to the C. & E. Corp. and 5% to others. The balance or 80% preferred net royalty will be payable to Anglo-Canadian until drill-cost has been recovered.

Two More Begin

Two more central west flank tests are expected to spud shortly. British-Alberta Brown No. 2 midway between Arrow 2 and Independent Royalties will go down in L.S.D. 2 24-19-3w5, while Twin Valley Oils No. 2 will be drilled as a west offset to Twin Valley 1, in L.S.D. 10 13-19-3w5. Drilling Contractors Ltd. is drilling both wells with rotary rigs.

Broker Loses License After U. S. Complaints

The Ontario Securities Commission has cancelled the brokerage registration of F. H. Marples & Co. of Toronto; suspended the registrations of the Marples salesmen who were selling Payco Gold Mines stock; and forced restitution of about half the payments by all U.S. purchasers of Payco stock through the firm.

In announcing this action, Securities Commissioner R. B. Whitehead notes that the Commission had investigated several complaints from U.S. residents during November. This was prior, he says, to the appearance in Time magazine of Nov. 18 of a report revealing the high pressure selling methods of Marples salesmen. The complaints alleged misrepresentation in connection with telephone sales of Payco stock.

The Commissioner reports that as a result of the investigation "it appeared that the complaints received were well founded." It is the Commission's policy, Mr. Whitehead states, to take "effective steps" where evidence of "fraudulent selling" is presented to the Commission.

MacLeod Year Proves Record

Profits Show Increase and Development of Big New Ore Body Begins

Highlights of the annual report of MacLeod-Cockshutt Gold Mines for the year ended Sept. 30, 1940, are as follows:

A sharp increase in profits with earnings totalling $478,993 against $291,633 the previous year.

A rise in earnings per share from 10.3 to 16.9 cents a share.

Discovery of a new west ore body estimated to contain 2,263 tons per vertical foot compared with 1,890 tons per vertical foot for older deposits.

The starting of a new programme of development to develop the new west ore body on further levels.

In order to open up the west ore body, the old No. 1 shaft is being deepened from 150 to the seventh level at 1,100 ft. The programme also includes sinking the main No. 2 shaft from the sixth to eighth level at 1,250 ft. to complete exploration of the north and south ore zones down to the seventh level and to make connections between the two shafts on the third and seventh levels.

The west ore body was first opened up from a fifth level drift. Flat drilling showed 2,263 tons per vertical foot averaging $9.10 cut and $10.88 uncut and drilling to depth showed 2,467 tons per vertical foot averaging $10.27 cut and $11.71 cut.

Production for the year was $2,039,430 from 235,130 tons of ore milled with an average recovery of $8.67 per ton. An average of $1.83 was lost in tailings, the loss being reduced to $1.30 the last half. A fourth unit for the roasting plant is now being constructed.

Ore reserves as at Sept. 30, 1940, totalled 797,000 tons, about the same tonnage as the previous year less ore mined. Work in the known ore areas was chiefly confined to stoping during the year.

Income and Surplus Account
Years Ended Sept. 30

	1940	1939
	$	$
Bullion recovery	2,039,430	1,439,926
Less: Marketing	24,529	18,118
	2,014,901	1,421,808
Less: Mine develop.	216,440	177,294
Mining	498,334	388,760
Milling	305,339	205,950
Mine off. & supervision	47,990	37,572
Gen. oper. exps.	82,544	48,409
Head off. exps.	31,339	26,624
Oper. profit	832,915	537,927
Add: Interest	3,012	......
Total net revenue	835,927	537,199
Less: Depreciation	142,543	94,220
Deferred devel. w/o	139,553	138,147
Taxes	74,838	13,199
Net profit	478,993	291,633
Less: Dividends	282,149	......
Surplus for year	196,844	291,633
Add: Prev. surplus	424,353	140,220
Adjustments	5,160	......
Less: Addit. taxes	4,451	......
Loss on bonds	281	......
Adjustments	......	7,500
Surplus forward	621,625	424,353
Earnings per Share and Dividend Record:		
Earned	$0.169	$0.103
Paid	0.10	nil
No. of Shs. Outstand.	2,832,490	2,821,490
Working Capital		
Current assets	627,109	560,721
Current liabilities	186,999	113,371
Working capital	440,110	447,350

Pato Production Jumps Sharply

A sharp increase in production was recorded by Pato Consolidated Gold Dredging in the six months ended Oct. 31, 1940. The company's No. 4 dredge operated in ground of exceptionally high value during the period, it was revealed at the company's annual meeting held in Vancouver recently.

Output from the 8,023,000 cubic yards dredged during the half year amounted to 64,739 oz. worth $2,265,865 in United States funds or 28.24 cents a cubic yard. Gross value of bullion production in the full year ended April 30, 1949, had amounted to $2,859,905 with average recovery of 15.97 cents in United States funds.

Of $695,357 of loans at April 30, 1940, 570,357 had been repaid by Nov. 22, 1940.

Chesterville Gets Ore in Deep Hole

Almost Vertical Hole Shows 54 ft. Running 0.214 oz. Per Ton

Diamond drilling close to the west boundary of Chesterville Larder Lake Gold Mining Co. has secured an intersection of 54 ft. averaging 0.214 oz. per ton in what appears to be the rake into the Chesterville property of the Kerr-Addison No. 21 ore body, The Financial Post is informed.

The drill hole was put down from a drill station at the fourth or 550-ft. level established somewhat to the north of the "C" ore body and near the west boundary.

Shows Easterly Rake

The drill hole encountered the ore section at a depth of 178 ft. in the hole and values continued to 232 ft. For some time it is understood that the Chesterville management has considered that ore in the area has a strike east although the "A" ore body had a local rake west. The latest intersection is stated to be the first concrete evidence confirming an easterly rake.

Some time ago it was announced that shaft sinking would be started in December or January so that development of the new ore body indicated by the drilling is expected to be not long delayed.

GUNNAR GOLD

Production of Gunnar Gold Mines showed a slight decrease in November amounting to $56,560 from 4,423 tons of ore milled for an average recovery of $12.79 a ton. In the preceding month $57,703 was recovered from 4,564 tons of ore, an average recovery of $12.64 a ton.

Senator Recovery Averages $8.64

Raising to 250-ft. Level Completed — Framing in Mill

Production of Senator-Rouyn from commencement of milling operations on Oct. 15 to Nov. 30, 1940, totalled $110,411 from 12,775 tons of ore milled for an average recovery of $8.64 a ton. Besides gold recovered, there was considerable absorption in the mill circuit which is estimated at approximately $2 a ton. Mill heads for the period averaged 0.303 oz. or $11.67 a ton with gold at $38.50.

Ore for milling operations at the leased Arntfield mill was drawn from surface dump and stopes on the 375 and 500-ft. levels. Three stopes on the 375-ft. level and one stope on the 550-ft. level are now meeting all milling requirements.

Raising has now been completed from the 375-ft. level to the 250-ft. level. The raise is being prepared to act as a service way for lateral exploration on the new horizon at 250 ft. which will be opened by drifting east and west shortly.

Progress on mill construction is stated to have been continuous. Foundations for the main mill are finished and framing of timber for the mill building has been started. Forms for the main foundations of the crusher plant are ready for pouring of concrete Other work is proceeding along scheduled lines.

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War Changes Conditions At Australia's Big Bell

Some interesting highlights on gold mining operations in Australia are revealed in reports reaching this country on Big Bell Mines, in which Premier Gold Mining Co. has a 40% share interest. The Big Bell mill was originally designed to handle 30,000 tons a month but the tonnage put through has been stepped up to 42,000 monthly.

Gold recovery is reported at 5,000 to 6,000 oz. a month with 70% of the ore milled coming from a surface glory hole.

Oil and Gas Rationed

Under war conditions the company finds oil and gas supplies rationed and the price for Diesel oil doubled, it is stated.

The company's labor situation was complicated by enlistment of skilled miners and internment of unnaturalized Italians. However, the company has undertaken a programme of training men from among those which are not liable for enlistment.

Prices for grinding balls, manganese steel and chemicals are stated to have risen to new high levels and supplies are difficult to secure as goods from Canada and the United States are subject to import permit. A special tax placed on gold since the start of the war amounts to 50% of all returns in excess of £10 Australian an ounce.

Yama Ore Grade Turns Higher

Drifting on 375 and 500-ft. Levels Gives Improved Values

Higher than average mine grade ore has been opened up in recent drifting at the 375- and 500-ft. levels of Yama Gold Mines,* according to Dr. Harold G. Way, the company's resident geologist. Parts giving this better ore are the "F" zone on the 375-ft. level and the "C" zone at the 500-ft. level. Only a small part of the planned drifting has been completed at each level.

On the 375-ft. level drifting east on the centre band of the "F" zone has given a length of 176 ft. averaging $16.90 a ton across an average width of 4.28 ft. Drifting west on the same zone has given 108 ft. running $8.10 over 3.09 ft.

Drifting on the 375-ft. level now gives a total ore length of 556 ft. averaging $10.25 per ton over 3.92 ft.

Results at 500 Ft.

At the 500-ft. level, drifting west on the "C" zone has given a length of 193 ft. running $15 across 2.92 ft.

Drifting at the 375-ft. level now shows combined ore lengths of 556 ft. averaging $10.25 across 3.92 ft. Eliminating lower grade zones, there is 398 ft. of ore averaging $13.55 over 3.69 ft.

At the 500-ft. level there is a total of 598 ft. of ore averaging $8.50 over 3.92 ft. or 398 ft. running $11.50 over 3.31 ft., eliminating lower grade sections.

Assay figures given are uncut. Cut averages will probably be in the neighborhood of 12% less, it is stated.

Formal contract for Ontario Hydro power has been drawn up and it is believed that hydro power will be turned on at the mine in about six weeks time.

De Santis Intersects New Vein at 800 Feet

A third vein has been cut at the 825-ft. level of De Santis Porcupine Mines with the first round taken out running $8 a ton across 5 ft., The Financial Post is informed. It is now expected that a fourth vein will soon be encountered.

The old vein originally worked on the 825-ft. level and which was recently encountered west of the dyke has now been drifted on for 500 ft., it is stated, and is still in good ore. A new vein has also been encountered on the 300-ft. level where assays have given 6 ft. of $38.40; 5 ft. of $24, and other assays of $14, $9 and $2.90.

Mine figures for November show output at $46,163 from 4,616 tons of ore for an average recovery of $10 a ton. This was slightly higher than the previous month.

Mining Dividends

	Rate	Close Dec. 9	Yield %
Anglo-Huronian	10c	2.51	..
Beattie Gold	16c+2c	1.17	*15.4
Bralorne	80c+40c	10.25	*11.7
Broulan Porc.	6c	.92	..
Buffalo Ankerite	‡31c	4.40	..
Bulolo Gold	$3	14.50	20.7
Can. Malartic	8c	.51	..
Cariboo Gold	16c+8c	2.25	*10.6
Central Patricia	16c+7c	1.98	*11.6
Chesterville	†5c	1.40	..
Cochenour Willans	†3c	.92	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.54	*11.7
Cons. Smelters	$1+$1.25	39.50	*5.7
Delnite	‡8c	1.00	..
Dome Mines	$2	25.00	8
East Malartic	30c	2.90	10.3
Francoeur Gold	†3c	.44	..
God's Lake	2½c	.42	..
Goldale	2c	.16	..
Gold Belt	†2c	.28	..
Gunnar Gold	‡6c	.37	..
Hallnor	60c	5.10	11.8
Hard Rock	‡10c	1.11	..
Hedley Mascot	‡8c	.55	..
Hollinger	65c+45c	13.00	*8.4
Howey Gold	‡2c	.29	..
Hudson Bay	$1.75	24.75	7.1
Inter. Nickel, com.	$2	34.63	5.8
Island Mountain	15c	.82	..
Kerr Addison	‡15c	3.60	..
Kerr Lake	‡10c	.20	..
Kirkland Lake	10c+2c	1.02	*10.8
Kootenay Belle	‡12c	.25	..
Lamaque Gold	40c+10c	4.75	*10.5
Lake Shore	$2	19.63	10.2
Leitch	8c	.54	14.8
Little Long Lac	30c	2.15	13.9
Macassa	32c+3c	3.85	*9
Madsen R. Lake	6c	.67	..
McGillivray Coal	3c+1c	.23	..
McKenzie Red L.	◊12c	1.20	10
McWatters	10c	.27	..
Moneta	12c	.51	23.5
McIntyre Porc.	$2.05½+1▪	51.00	*5.9
MacLeod-Cockshutt	‡20c	2.35	..
Naybob Gold	4c	.33	..
Nipissing	15c	1.04	..
Noranda	$4	57.00	7
North Empire	‡50c	7.45	..
O'Brien Gold	‡10c	1.14	..
Pamour Porc.	12c	1.45	8.3
Pato Cons.	20c	2.30	..
Paymaster	2c	.23½	..
Perron Gold	16c+4c	1.70	*11.7
Pioneer, B.C.	40c	2.15	18.6
Pickle Crow	40c	2.95	13.5
Placer Develop.	$1.20	10.00	12
Premier	12c	.90	13.3
Preston E. Dome	20c+5c	3.25	..
Privateer Mine	‡16c+2c	.55	..
Powell Rouyn	20c	1.10	..
Quebec Gold	‡2c	.28	..
Relief Arlington	†5c	.03	..
San Antonio	14c+6c	2.75	*7.3
Sheep Creek	16c+3c	.90	*21.1
Sherritt Gordon	10c	.81	..
Sigma Mines	‡45c	7.75	..
Silbak Premier	16c	.69	23.2
Siscoe	‡11½c	.49	..
Sturgeon River	†2c	.17	..
Sudbury Basin	2½c	1.30	..
Sullivan Cons.	‡9c	.62	..
Surf Inlet	†1½c	.10	..
Sylvanite Gold	20c+10c	2.60	*11.5
Teck-Hughes	40c+5c	3.30	*14
Toburn	8c+12c	1.55	*12.9
Upper Canada	‡6c	2.22	..
Ventures	15c	3.00	..
Waite Amulet	†10c	3.30	..
Wendigo	†3c	.21	..
Wright-Harg.	40c+30c	7.15	*9.8

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.
▪An extra dividend of $1.11 declared payable Jan. 2, 1941.
◊Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

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Position of Chartered Banks of Canada as of October 31st, 1940, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere*	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	19,816,520	57,515,830	16,788,282	......	240,938,792	419,701,145	89,146,387	2,731,615	13,549,236	8,494,059	......	11,677,303	3,892,125	782,014	39,000,000	36,000,000	960,013,313
Nova Scotia	8,567,289	15,089,478	2,033,184	......	64,311,147	148,321,044	40,480,341	3,140,644	1,601,798	1,343,309	......	7,183,903	26,339	13,679	24,000,000	12,000,000	328,112,159
Toronto	3,678,454	9,004,023	1,406,764	......	47,798,377	84,800,979	352,110	570,075	1,398,200	440,206	......	1,700,513	......	150,600	9,000,000	6,000,000	166,300,306
Provinciale	2,793,053	1,911,794	306,802	......	9,283,926	36,523,998	11,510	995	......	20,102	......	13,960	4,066	4,075	1,000,000	4,000,000	55,874,186
Commerce	17,160,798	28,766,583	17,327,730	......	182,108,136	312,413,437	64,636,610	941,200	3,455,299	5,425,120	......	20,842,612	......	617,917	20,000,000	30,000,000	703,696,448
Royal	24,963,465	35,209,461	8,067,807	......	265,807,254	329,483,202	201,528,926	215,991	3,707,754	8,415,452	52,788	18,953,088	......	736,758	20,000,000	35,000,000	952,141,053
Dominion	4,761,084	7,082,305	1,631,051	......	41,001,143	74,895,442	5,801,573	1,319,560	888,691	871,290	......	4,333,305	638,121	176,551	7,000,000	7,000,000	157,591,121
Nationale	4,468,150	6,425,533	1,146,095	......	35,179,572	96,398,193	474,651	2,043,723	153,743	342,351	......	729,538	41,088	144,797	5,000,000	7,000,000	159,547,439
Imperial	4,980,000	11,998,310	11,740,383	......	50,486,044	90,976,206	252,806	1,235,313	1,046,935	671,338	......	2,251,575	......	176,149	8,000,000	7,000,000	190,815,063
Barclay's (Canada)	435,980	3,376,503	43,104	......	4,364,457	5,949,864	2,622,683	325,191	3,271,371	876,785	......	361,732	......	......	750,000	1,500,000	23,877,673
Total	91,624,793	176,379,820	60,491,202	......	941,278,748	1,599,463,510	405,307,597	12,714,407	29,073,025	26,900,012	52,788	68,047,529	4,601,739	2,782,540	133,750,000	145,500,000	3,697,967,761

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	458,303	83,660,279	[illegible]
Nova Scotia	15,000,000	12,000,000	12	2,759,290	26,688,000	[illegible]
Toronto	10,000,000	6,000,000	10	452,077	17,750,905	[illegible]
Provinciale	5,000,000	4,000,000	6	251,886	9,346,503	[illegible]
Commerce	50,000,000	30,000,000	8	1,516,537	64,016,981	[illegible]
Royal	50,000,000	35,000,000	8	1,683,494	68,429,106	[illegible]
Dominion	10,000,000	7,000,000	10	583,527	12,874,458	[illegible]
Nationale	10,000,000	7,000,000	8	368,944	15,972,822	[illegible]
Imperial	10,000,000	7,000,000	10	581,726	12,495,687	[illegible]
Barclay's (Canada)	1,500,000	1,500,000	......	2,828	1,429,659	[illegible]
Total	211,500,000	145,500,000	......	8,658,612	312,664,400	[illegible]

*Of this amount $45,176,226 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,420,879	77,526	23,087,722	57,997,030	913,290	451,417	31,340,979	......	3,038,267	58,676,280	229,494,889	171,360,232	20,130,619	15,857,122
Nova Scotia	438,999	1,233,721	6,251,265	17,334,300	221,802	5,627,512	9,834,185	......	6,070,297	11,630,798	57,795,156	56,551,549	10,837,931	767,528
Toronto	293,776	......	4,169,396	9,699,572	128,225	87,871	6,907,080	......	302,762	2,984,457	28,543,787	43,727,739	5,042,386	......
Provinciale	255,776	......	1,882,708	7,542,316	139,775	54,166	2,055,275	441	1,461	902,154	1,412,710	6,379,380	11,542,843	......
Commerce†	970,587	163,434	14,159,332	48,060,939	413,868	1,479,522	19,053,813	594,296	8,118,992	26,107,050	101,393,458	107,881,013	8,661,128	20,943,243
Royal‡	1,434,828	2,632,054	18,573,141	47,218,347	770,079	20,902,002	33,462,538	5,857	14,556,519	41,854,363	217,435,386	107,674,658	6,903,337	11,273,458
Dominion	327,095	383	3,156,988	11,478,788	238,865	107,824	8,780,207	......	1,623,738	3,241,498	21,217,931	12,760,624	2,256,805	222,265
Nationale§	521,020	......	4,915,242	9,991,554	245,305	61,966	7,144,841	1,429,080	2,737	2,757,361	14,180,490	25,379,860	15,422,877	6,673
Imperial	368,796	......	6,170,215	11,236,947	215,960	58,754	9,367,690	647,376	69,568	4,040,023	37,862,270	28,941,310	5,658,102	......
Barclay's (Can.)	2,787	......	111,126	1,121,071	2,105	4,600	439,366	1,540,263	1,723,515	2,252,996	6,171,705	6,807,662	1,000	......
Total	6,033,837	4,107,118	82,477,135	221,680,864	3,289,274	28,835,634	128,475,974	4,217,313	35,507,856	154,446,980	715,507,782	567,473,036	86,457,118	49,070,289

NAME OF BANK	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets*
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	25,171,359	4,606,348	19,552,470	217,560,276	14,801,234	1,626,502	33,686,560	1,198,857	505,347	468,855	13,900,000	1,075,362	1,649,218	961,334,[illegible]
Nova Scotia	10,671,802	3,229,472	175,201	95,749,180	13,518,346	858,780	4,361,089	444,554	......	83,880	6,036,544	445,825	2,700,276	330,053,[illegible]
Toronto	3,731,647	1,263,440	......	51,564,249	......	......	5,196,079	93,531	......	14,770	3,379,233	184,645	......	169,105,[illegible]
Provinciale	1,549,090	3,320,452	......	13,209,269	......	6,906	2,720,021	80,061	523,792	306,941	2,084,031	140,978	125,909	56,249,[illegible]
Commerce†	19,359,239	9,766,562	7,959,452	219,947,386	17,211,185	9,891,846	17,130,421	1,837,801	2,384,238	1,088,637	14,203,007	847,000	4,010,378	704,490,[illegible]
Royal‡	33,702,435	8,465,888	13,304,864	231,171,485	79,472,361	885,179	18,702,797	2,694,389	2,119,112	773,550	14,704,392	1,340,000	4,250,684	955,237,[illegible]
Dominion	2,082,134	2,369,722	1,547,893	74,157,387	1,242,844	......	1,247,842	180,948	29,175	48,802	5,487,573	261,950	199,713	158,452,[illegible]
Nationale§	4,755,827	3,932,619	......	50,652,287	......	210,956	10,463,467	208,922	1,637,890	570,122	5,105,127	251,767	195,296	160,772,[illegible]
Imperial	57,592	3,588,189	......	67,878,158	......	487,501	5,857,900	316,813	77,710	302,988	5,743,114	258,327	34,734	191,491,[illegible]
Barclay's (Can.)	......	491,125	......	2,388,600	......	......	......	7,542	......	......	450,000	20,556	......	23,897,[illegible]
Total	101,081,125	40,933,817	42,539,880	1,024,278,286	126,245,970	13,967,670	99,366,176	7,063,416	7,277,262	3,658,545	71,093,520	4,826,410	13,166,208	3,711,078,[illegible]

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The assets and liabilities of the Royal Bank of Canada (France) are not included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale (France) are not included in above return.—Footnote to Banque Canadienne Nationale return.

*Total assets include $68,047,5[illegible] letters of credit as shown in liabilities.

Nova Scotia Seeks War Metals

Barite Discovered In Search For Manganese and Tungsten

By GORDON M. GRANT
Staff Writer, The Financial Post

Neglected except for coal mining and a limited amount of gold mine activity in recent years, the mineral fields of Nova Scotia are now receiving a new testing through the emphasis placed on war metals, Dr. A. E. Cameron, Deputy Minister of Mines and Resources for Nova Scotia, revealed in an address delivered last week to the Toronto branch of the Canadian Institute of Mining and Metallurgy.

The chief minerals being investigated are manganese and tungsten both mined in years gone by. Last year the Nova Scotia Department of Mines undertook a complete survey of all tungsten properties and an investigation was also made of the Tennycape manganese deposits.

This work has been continued in 1940 and a survey has been made of the area between the Avon and Stewiacke Rivers in localities where manganese was previously mined. The second largest potential manganese-bearing area — Boularderie Island on Cape Breton—came back to the Crown through forfeiture this year and has been closed to license and lease pending further investigation.

Many Scattered Deposits

Results of the Government's investigation show that over considerable areas there are scattered small deposits of manganese too far separated from one another for mining from a central point but possibly close enough so that it may be possible to combine and blend production and give a marketable product. This is stated to be possibly true of manganese but may not work out so well for tungsten.

Following the survey by the Nova Scotia Government, two Toronto men, Karl J. Springer and L. K. Fletcher, agreed to undertake development of manganese possibilities. Mr. Springer has taken the responsibility of the area between the Avon River and the Stewiacke River along the south shore of Minas Basin while Mr. Fletcher is to start work on Boularderie Island.

The season is late but it is hoped that next year will see these areas proved or disproved as producers of manganese for the Canadian war effort.

Barite Deposit Discovered

One interesting discovery was made during preliminary investigation of showings this year. Mr. Springer came to Nova Scotia in October and brought with him another Toronto mining man—Mr. C. W. McKee. Left to make studies in the Tennycape area, Mr. McKee was informed "the hills back there are made of marble." Knowing from his studies that they could not be marble, Mr. McKee investigated and found barite.

Men were set to work and uncovered barite over an area 200 ft. long by 200 ft. wide without reaching the walls. A drill was obtained from the Department of Mines and the first hole cut 83 ft. of barite before it bottomed in inter-bedded barite and red shale. A second hole is now being drilled 150 ft. north of the first hole.

This is good barite, according to Dr. Cameron. Samples taken from 14 trenches in the area gave a specific gravity of 4.32 to 4.45 with an average of 4.41. Specific gravity of pure barium sulphate is given as 4.48. Sampling the drill core gave an average of 4.27. An analysis of the surface samples gave an average of 97.1% barium sulphate.

Estimate 100,000 Tons

Conservative estimates on the present information are stated to indicate over 100,000 tons of barite with the limits of the deposit not yet reached. The deposit is accessible for open cut operation and shipping facilities are available at tidewater three miles away. Immediate development is anticipated. Barite is used in the drilling of oil wells and in certain chemicals.

Boularderie Island is receiving immediate attention for its manganese possibilities. More is known of these large bog manganese deposits than is known of what remains to be won from the pyrolusite deposits around Tennycape. The problem at Boularderie is stated to be rather quality than quantity. About 60,000 tons of ore averaging 30% manganese and 20% iron are known with much greater amounts of lower grade material. Elsewhere in the province are bogs containing limited tonnages of similar iron-rich manganese. The deposits in nine counties vary from 10% to over 30% manganese.

Sintering Necessary

The Boularderie material now being worked on by Mr. Fletcher will certainly have to be sintered, it is stated. With metallurgical difficulties overcome and a sintering plant available in Nova Scotia, production from the more scattered deposits should be greatly facilitated, Dr. Cameron believes.

The New Ross manganese deposits of Lunenburg county were mined extensively in former years but little work has been done on them since the last war. Over 100 tons have been shipped from the property this year following reopening last year. A considerable portion of the ore body is too high in iron for chemical grade material. The metallurgical problem has been tackled with success by the ore dressing laboratories at Ottawa.

Tungsten is governed by a different set of conditions. While manganese development is still limited by market requirements as to specific grades, there is a steady demand for scheelite (the ore of tungsten), for shipments of any size from a few pounds up, providing the product is scheelite with less than a given sulphur content. The problem is quantity.

Scheelite With Gold

Scheelite in Nova Scotia is closely associated with the gold deposits occurring in inter-bedded veins. The Moose River scheelite deposits are best known and produced appreciable tonnages of ore in the past. The property is now idle. It is believed that a small operation might be developed on the Indian Path property on which some development was done last year. Development at Lake Charlotte is stated to be in sound hands and "we know that what is there will be found and estimated."

The scheelite in Nova Scotia is stated to be spotty with no definite relationship except its association with gold values. In Nova Scotia no tungsten deposit has yet been examined at 500 ft. below surface even by drilling. Money is needed for development to find out what lies at depth; the surface preliminary work has been done.

Salt Mine Crisis

Outside of the metal field, Nova Scotia has Canada's only salt mine. This is owned by the Malagash Salt Co. After years of operations when it proved impossible to break even the company has just completed a diamond drilling exploration programme which has outlined 200,000 tons of salt strata in a new formation, averaging 8% potassium chloride, 17% magnesium chloride and over 70% salt, a deposit which at present market price has an ultimate value of over $2 millions. The new body is situated from 100 to 250 ft. from the present workings. A crosscut has tapped it at one level. Last Tuesday (Dec. 3) the power plant burnt down. The plant is idle; 125 families are out of work. With the goal in sight they have been stopped for want of capital.

According to Dr. Cameron, less than 60 gold mining ventures have been commenced in Nova Scotia since 1934. Of these Guysborough is paying dividends, Caribou Mines is making a yearly surplus and two others are in temporary difficulties due to shortage of capital. All four mines have reached 500-ft. depth, but none has yet reached 1,000-ft. depth.

Gold Mines Small

Nova Scotia gold mines are not big mines, it is pointed out. The structures do not lend themselves to large scale production. Selective mining is the rule. The two mines mentioned are in difficulties because they aimed at 100 tons a day.

"What other mining areas in Canada," asks Dr. Cameron, "considers 0.15 oz. ore as an average and calls 0.114 oz. ore as mineable ore, ore that is mined from veins that at six inches are wide veins, ore that is won from 24-inch and even 18-inch wide stopes?"

Went Without Pay

"In the lean months of the past few years, and there have been some of them in all projects, there has been no grumbling if pay-day was payless," Dr. Cameron says. "More than once men have gone weeks without pay and kept on workings. In no single case has a gold mine project folded up in the last few years because of labor. There has been no interference to operations due to strikes or other labor troubles."

Nova Scotia started the mining apprentice project to train the younger generation in modern mining practices. It was costly but out of 350 trained youths over 300 found gainful employment in the mining industry. Today the effort is being repeated, this time rehabilitating older men, who through misadventure or hard times have lost out. It was started with coal miners but renewed activity in coal mining due to the war has drawn most of them away. Men are now being trained from the older gold mining communities. They are 30 and more years old and many have never been in a mine.

Coal is the back log of Nova Scotia's mineral economy, and peace or war, production this year will probably exceed all previous records, Dr. Cameron announces. It has been limited more by the lack of bottoms and of cars to take coal away than anything else. The need for increased production has been met by the operating companies with increased expenditures on capital and development account.

Leading Mine Executives Against New B.C. Smelter

From Our Own Correspondent

VANCOUVER. — Executives of British Columbia's chief base metal producing mines are opposed to the idea of a coast smelter to treat copper and other ores and concentrates. They contend that such a project should be discouraged on economic grounds; that its only possible justification might be national necessity in which event Government subsidy would be in order.

The men expressing this view are C. P. Browning, general manager of Britannia Mining & Smelting Co., biggest copper producer in the province and Canadian subsidiary of Howe Sound Co.; Adrian S. Baillie, vice-president and general manager of Granby Consolidated Mining, Smelting & Power Co., which has been an important factor in copper production for several years, and James Buchanan, general manager of Consolidated Mining & Smelting Co., Canada's leading lead and zinc organization.

Their opinions were expressed before the mining committee of the British Columbia Legislature which has been considering the advisability of improving the facilities in western Canada for smelting and refining copper. The situation developed as a result of the necessity of Britannia and Granby shipping their entire output of concentrates to the Tacoma plant of American Smelting & Refining Co.

"I may tell you quite frankly that Britannia is over the hump as far as a long life is concerned," said Browning, discouraging any suggestion that it might be worth while to establish a smelter in British Columbia to depend on Britannia concentrates as a main source of supply.

Browning added that Britannia, as a subsidiary of Howe Sound, was able to get a special rate at the Tacoma smelter; otherwise it might be difficult for the mine to carry on —"unless we could be shown that a cheaper or as cheap a rate would be available from a coast smelter."

Browning said it was "touch and go" at the present price of copper, and to add to costs of production would be to cut short Britannia's life.

Baillie of Granby told of his company's preparations to launch a smelter of its own at Allenby. So far as Granby was concerned, it would be much cheaper to operate a plant close to the mine, which would be the case if the Allenby plans were proceeded with, but the market did not justify such expansion now.

To Open Presdor From Crosscut

Shareholders' Meeting to Be Called to Secure Approval

A meeting of shareholders of Presdor Porcupine Gold Mines is to be called shortly to secure approval for a financing agreement already tentatively approved by directors, The Financial Post is informed. The new financing agreement, which will allow an extended exploration programme, calls for re-organization of the company on an unstated basis.

The financing offer approved by directors calls for a crosscut to be driven to the Presdor property from an adjoining mine (not named in the agreement) with 10,000 ft. of horizontal diamond drilling to be completed when the crosscut reaches its objective. Preston East Dome and Paymaster both adjoin the Presdor property.

Ore Will Be Handled

If exploration results warrant production plans, the adjoining mine agrees to handle up to 200 tons of ore daily from the Presdor property. If ore opened up should warrant a higher production rate, additional finances for mill construction, or any similar requirements will be made available, it is stated.

Two porphyry zones, favorable for ore bodies, are believed to occur on the Presdor property. One was cut in surface diamond drilling and the second is stated to dip into the company's property from the west around the 1,000-ft. level.

Acme Gas & Oil Shares In Vermilion Acreage

In association with Oil Selections, Ajax Oil and Gas and Anglo-American Royalties & Shares Corp., Acme Gas & Oil Co. has secured a share in an 82½% interest in one block of 160 acres and a second block of 640 acres in the Battleview-Vermilion area of Alberta.

On the first tract are two wells which are stated to have proved producers. The No. 1 well is being used for its gas above the oil sand while experimentation with a gravel pack is being carried on at the second well.

The larger block of ground is stated to be on the line of strike, comprising section 17 in township 50 and is considered "potential producing property."

Acme Gas & Oil has a 55% interest in the 82½% interest in the ground, Oil Selections and Ajax Oil & Gas each has an 8% interest and the Anglo-American Royalties & Shares Corp. has the remaining 5% interest.

Mining Concentrates

Bralorne Mines has declared an extra dividend of 10 cents a share payable along with the regular quarterly dividend of 20 cents a share on Jan. 15, 1941 to shareholders of record Dec. 31.

* * *

Cariboo Gold Quartz set a new high production record last month with $7,623 recovered in a ball mill clean-up:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	10,012	334	18.42	186,379
October	10,131	327	13.96	141,449

* * *

Dome Mines reports a slightly lower production for November:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	51,600	172	12.78	659,671
October	52,900	171	12.51	662,100

* * *

Francoeur Gold Mines increased its production in November with a sharp rise in the tonnage of ore milled:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	7,245	242	6.44	46,650
October	6,348	205	7.17	45,525

* * *

Goodfish Mining Co. reports current assets at $23,432 of which $15,670 is in cash as against current liabilities of $30. In addition, the company owns 552,083 shares of Beanland Mining Co. A total of one million shares previously held in Miles Martin Kirkland Mines has been sold.

* * *

Gold Belt Mining Co. increased its production slightly in November:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	5,236	175	*10.66	55,805
October	5,172	167	10.48	54,291

* * *

Island Mountain Mines Co. reports a decrease in production last month although recovery was still ahead of the average monthly output so far this year.

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	4,594	153	15.11	69,432
October	4,542	147	18.73	85,085

* * *

Morris Kirkland Gold Mines reports a slightly lower production for November:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	3,808	127	4.31	16,415
October	3,895	126	4.44	17,300

* * *

MacLeod-Cockshutt Gold Mines has called its annual meeting for Dec. 16 in the Royal York Hotel, Toronto.

* * *

Matachewan Hub Pioneer Mines is offering shares of Allied Iron & Sulphur Mines to its shareholders on the basis of one share of Allied Iron & Sulphur at 3 cents for each five shares of Matachewan Hub held.

* * *

Orcour Gold Mines plans to resume work following reorganization of the company from a capitalization of 10,000 shares to one of 3 million shares. The company's property is located in Louvicourt twp., Quebec and is adjoined on the east and west by the holding of Vicour Gold Mines which is now being developed by Inspiration Mining & Development Co., Consolidated Smelters, Anglo-Huronian and Siscoe Gold Mines. Funds are stated to have been arranged for a new programme of diamond drilling to follow up results obtained in previous drilling and from a geophysical survey.

* * *

Rochette Gold Mines has decided to continue operations and a programme of work is scheduled to be carried out this winter. A shaft is now down 60 ft. and plans call for a continuation of the shaft to 100 ft. and the cutting of a level at that depth.

* * *

Sheep Creek Gold Mines production was somewhat lower in November:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	4,488	150	16.11	72,318
October	4,795	155	16.66	79,871

* * *

Sigma Mines (Quebec) showed a decrease in November as reported below:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	21,969	732	8.01	175,899
October	23,744	766	8.02	190,482

* * *

Stewart Abate Gold Mines is stated to be dewatering the shaft at its property in the Ramore district as the first step in a new underground development programme. The shaft is to be deepened to 200 ft. where drifting will be done on the No. 1 vein.

* * *

Toburn Gold Mines has declared a special dividend of 4 cents a share payable Dec. 27 to shareholders of record Dec. 10. This brings dividends for the current year to 20 cents per share, compared with 16 cents a share last year.

* * *

Wampum Gold Mines is stated to be negotiating for a mining plant.

* * *

Winisk River Mines expects to start a new programme of exploration shortly, following completion of negotiations for development funds. Deep diamond drilling is planned for the company's property which comprises 1,200 acres upon which $45,000 has been spent since work was started in 1937. Six veins were indicated by work completed.

* * *

Wendigo Gold Mines had the second highest gold production in its history in November. Details are as follows:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	3,082	103	17.22	53,086
October	3,212	104	11.73	37,689

* * *

Ymir Yankee Girl Gold Mines had a reported profit of $82,132, equal to 3.7 cents a share in the year ended Aug. 31, 1940, compared with $42,844 equal to 1.9 cents a share in the preceding year. Operations were of a salvage character last year, resulting in lower costs and higher profit. Working capital is stated to have gained from $168,334 to $256,115 during the year. Broken ore reserves are reported at 4,197 tons. The adjoining Dundee property provides the chief hope of perpetuation of the company's earning power.

Haras, Inspiration Deal on New Find

To Hold 80% Interest in any Company Formed For Development

Identity of the interests who recently completed a deal on the Fred Thompson discovery in Pershing twp., is revealed with the announcement that Haras Corporation of Toronto and Inspiration Mining and Development Co. will jointly hold an 80% interest in any company formed to carry on development of the property of 25 unpatented claims.

The Thompson find adjoins a property which has been under development of Consolidated Smelters for some time. While no statement is forthcoming from the Smelter's management, results have apparently been encouraging, for an application has been made for a road into the property and supplies are being taken in for a programme of winter work.

Limited Work Only

The discovery on Mr. Thompson's property was made just before freezeup and no attempt has been made to carry out further work on the property. The discovery has been stripped for a length of 45 ft. and averaged an ounce per ton across widths of 16 to 18 inches, with both ends disappearing under overburden.

Plans of the Haras Corp.-Inspiration interests call for further surface work next spring. It is expected that considerable work will be done before the property reaches the company stage.

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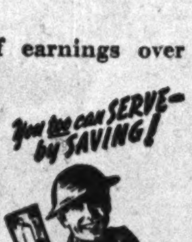

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Canada Looks South

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Sketch map showing route to be travelled by The Financial Post's writer.

Suddenly South America has become an area of immense importance to Canada. South America is in the news, and will be even more so in 1941.

- Canada's exports to South America have jumped 60 per cent.
- A Canadian government trade mission is now touring South American capitals.
- Canada is appointing ministers to two South American countries.
- Canada and the United States are bidding to offset Nazi penetration in South American trade markets.
- "Hemisphere defense" has become a lively issue. Our own security is tied up with the protection of the whole of this western World.
- Argentine, Brazil, Chile, Mexico, have become our close neighbours.

No longer can Canada ignore these neighbours to the South. Now we must know all we can about these people who have so quickly become a part of our lives.

RONALD A. McEACHERN

The Financial Post is going to bring you a first-hand story of South America by a live-wire newspaper writer, Ronald A. McEachern, its news editor. Already he is en route, winging his way by speedy Pan-American Airways plane to the leading capitals of Latin America.

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Mr. McEachern will visit Jamaica, Colombia, Panama, Canal Zone, Peru, Chile, Argentina, Uruguay, Brazil, Trinidad and Cuba.

His trip will be made almost entirely by air. His first dispatch appears in The Post this week. There will be regular weekly articles, all fully illustrated, and running through to the end of February.

Never has any Canadian publication offered its readers a similar series of articles on Latin America, written by a trained Canadian observer of the journalistic ability of Ronald McEachern. You will have read many of his articles in The Financial Post. You will have heard him over the CBC national network. Now read his articles on "CANADA LOOKS SOUTH."

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Investing in Wartime

More Experts Give 1941 Ideas

Allan Ross Claims Timing Most Important Factor — J. B. Hawson Would Sell Short-Term-Bonds — and Buy Better Yielding Securities — Clark Suggests Changes in Both Bond and Stock List — All Agree On Desirability of Careful Supervision for Investments at All Times

J. F. Clark

Not a prize-winner in the contest a year ago, Mr. Clark is connected with the Foreign Exchange Control Board, Ottawa.

Action of the security markets in the past year has shown how difficult it is to choose a portfolio having sufficient profit making possibilities to interest a businessman without seriously jeopardizing his capital in the event of a major recession. In wartime there is, however, always a strong element of uncertainty that tends to keep speculative securities depressed. But major changes in the public appraisal of the prospects in regard to the ultimate outcome of the war, depending largely on current developments, have a strong influence on security prices and such developments are unpredictable.

Under such circumstances, a businessman must hedge to protect himself against adverse market developments, always keeping in mind, however, that the longer the war lasts, the greater should be the influence of inflation on equity securities.

Inflation Controlled

So far monetary control has kept the forces tending to inflation from asserting themselves noticeably on prices, whether of commodities or securities, but such forces are steadily increasing in strength as a result of war wastage, greatly overstrained budgets necessitating borrowing on a vast scale and increased velocity of circulation of money, characteristic of wartime economy.

A businessman should, therefore, continue to hold sound bonds for stability of capital and income and yet should hold carefully selected stocks because of the greater prospect of increased income and as an inflation hedge.

Convertible bonds of industrial companies which are likely to prosper under wartime conditions also offer an opportunity to increase the backlog of bonds and still retain the price appreciation characteristics inherent in common stocks.

Value of this policy was fully demonstrated in my portfolio by the fact that its replacement cost is down only 13% despite a drastic dislocation in security values in the interim. The securities in the portfolio have maintained their marketability and, with a few exceptions, the stocks should regain their buoyancy in rising markets.

Suggested Changes

I would, therefore, suggest purchase of the high-grade bonds up to the same percentage of 30% and believe the Saskatchewan and convertible bonds, Dosco 6¼'s, Algoma Steel 5's and Price Bros. 4's, also for 30%, even more attractive at current levels.

The ratio of 60% bonds to 40% for equity securities should be maintained, but I would eliminate Dominion Bridge, Imperial Oil and Canadian Canners 2nd pref. in favor of Steel of Canada pref. or common, Loblaw Groceterias and Bralorne Mines because of better prospects for market appreciation and improved income.

All three stocks being eliminated have made a poor market showing: Dominion Bridge is not expected to increase its present nominal dividend; Imperial Oil has reduced its dividend with little prospect of restoring it under prevailing conditions and the outlook for Canadian Canners export business does not appear as bright as it was.

On the other hand, Steel of Canada is receiving the full benefit of war stimulated industrial activity; Loblaw Groceterias continues to show increasing earnings and retains its strong competitive position in the retail grocery trade, while Bralorne Mines looks like an attractive speculative investment in view of the substantial yield and satisfactory position of the mine.

1939 Portfolio

	Name	Cost Oct. 27 1939	Value Oct. 31 1940
BONDS			
High Grades:			
Amt. $		$	$
5,000	C.N.R., 3/45-50	4,862	4,900
5,000	Quebec, 3¼/49	4,850	4,725
5,000	Ott., L., H. & P., 4/57	5,100	5,050
Other Bonds:			
3,000	Saskatchewan, 4/54 ..	2,160	2,205
4,000	Dosco, 6¼/55	4,720	4,240
4,000	Algoma Steel, 5/48 ..	4,720	4,120
3,000	Price Bros., 4/57	3,180	2,640
29,000	Bond totals	29,592	27,830
STOCKS			
Shs.	Name	$	$
Heavy Industries:			
50	Dom. Found., c.	1,975	1,200
25	Nat. Stl. Car, c.	1,800	1,094
25	Dom. Bridge, c.	1,100	675
Oils:			
100	Imperial Oil, c.	1,862	1,050
75	B. A. Oil, c.	1,743	1,359
Base Metals:			
25	Inter. Nickel, c.	1,237	925
25	Noranda, c.	1,981	1,469
Textiles:			
75	C. Celanese, c.	1,725	2,344
Power and Chemical:			
75	Shawinigan, c.	1,818	1,369
Foods:			
50	Ogilvie Flour, c.	1,750	1,225
100	Can. Canners, pf.	1,400	1,025
Pulp and Paper:			
50	Fraser Cos.	1,100	556
100	Donnacona, A	1,050	550
	Total for stocks	20,543	14,841
	Totals for portfolio	50,136	42,721

Allan T. Ross

Not a prize winner, Mr. Ross is connected with the Toronto investment firm of E. G. Bulmer & Co.

The attached list revalued as at October 31, 1940, is sent to you because it shows better results than were obtained by any of the prize winners or by those who received honorable mention. Like the others, there was a moderate depreciation in value, in this instance only 7.7%. Perhaps on this basis it now deserves honorable mention, for after all the real test should be the ability of any list to stand up to competition at given periods of time. What the more distant future holds for this or any other list remains, of course, to be determined.

The revenue received over the year was slightly more than estimated.

So much for results obtained as determined by actual figures. The writer in his comments accompanying the list endeavored to stress most particularly the "timing" factor in managing security accounts. To substantiate this statement the last paragraph of the list is quoted herewith.

Timing Essential

"An experience of some years has gradually but persistently driven home to us the factor which is second only to the wise selection of securities, namely, 'timing.' The very best selection can be very seriously upset by buying at the wrong time. This is particularly true if the purpose of the investment is to increase one's capital, and is equally true and of greater importance when after a prolonged rise in equities the question arises as to the advisability of continuing to stay with the market or changing over to high-grade bonds. We have endeavored to emphasize this factor throughout and in conclusion would say that the successful investment of the $50,000, in our opinion, depends not only upon the proper selection of securities, but also on a readiness to alter and vary the list when and if occasions warrant."

It was not by chance that the greatest stress was placed on this very important measure, for over the past two years during which the market trends have been much shorter than usual, the writer has been associated with an investment company (E. G. Bulmer & Co. Limited) which pays particular attention to the timing factor.

Lose Large Sums

Over the past few decades investors in this country have lost large sums of money because neither they nor their advisers could determine with any degree of accuracy when to buy and when to sell securities. The difficulty was not chiefly in the selection of bonds and stocks but in determining the timing factor. To overcome this handicap we adopted, after some study and research, a mathematical guide based on a moving average of security prices. In practice this has performed a very satisfactory job in guiding investors through the middle path of the market.

Believing that investors are entitled to all the protection they can get, we set about to improve and to supplement our method by finding some means of determining the state of the economy of our country. If it could be determined in the very early stages when our economy is changing from a period of expansion to a period of contraction we felt the knowledge would be extremely useful marketwise. This we accomplished by using published banking figures (such as loans, deposits, bank debits, etc.) as a guide.

Bank Line Leads

A comparison of this guide with the market averages over the past 13 years shows that the bank line has consistently led the market by approximately 90 days. This may seem to be a rather tall statement, but when one considers that the decisions of practically all the people in the country are reflected in banking statements because nearly all the money these people handle finds its way into and out of the banks, and so the much discussed "psychology of the people" can be measured in terms of what they do with their money.

If I have strayed away from the subject matter it was done to explain my present recommendation with regard to the original list of securities suggested. The Financial Post is asking contestants to outline and give reasons for any changes. The recommendation is to sell all the items contained in Groups D to G inclusive and invest the proceeds in short-term high-grade bonds such as those contained in Group A.

In my opinion, this will enable the "Canadian businessman with $50,000 to invest" an opportunity to repurchase at a later date the same or somewhat similar list of securities at a figure which will yield him a more attractive return. In these days of higher and more burdensome taxes it is of even greater importance that investors should put their money to work at the most favorable levels. It will be observed that this objective is accomplished by using a guide of proved ability which protects the investor at all times regardless of what his or any of his advisers' views may be about inflation, war developments, or any other development supposed to favorably or adversely affect security prices.

ORIGINAL PORTFOLIO

		Cost Oct. 30 1939	Value Oct. 31 1940
Group A			
$		$	$
5,000	Dominion, 2/44	4,962	5,025
5,000	Ontario, 2½/45	5,025	5,000
Group B			
5,000	York Township, 5/38 .	4,500	4,750
5,000	Manitoba, 4½/45	4,700	4,750
Group C			
4,000	C. P. R., 3½/51	3,480	3,560
2,000	Can. Steamship, 5/57 .	1,870	1,935
2,000	Un. Grain Grow., 5/48	2,020	1,940
Group D			
3,000	Consol. Paper, 5½/61 .	1,890	2,055
2,000	Abitibi P. & P., 5/53 .	1,310	1,385
Group E—			
Shares:			
25	Gatineau Power, pfd. ..	2,300	2,250
100	Dominion Coal, pfd. ...	2,150	2,050
Group F			
100	Beauharnois Pwr., com.	725	550
50	Dominion Bridge	2,212	1,362
50	Inter. Nickel	2,375	1,837
50	Inter. Petroleum	1,400	725
35	Montreal Power	1,041	1,020
50	National Breweries ...	1,662	1,475
25	National Steel Car	1,850	1,093
50	Price Bros., com.	1,150	675
50	Toronto Elevators	1,425	1,100
Group G			
200	Macassa Mines	840	690
100	Wright-Hargreaves	800	625
		49,687	45,852

J. B. Hawson

Not a prize-winner, Mr. Hawson is connected with the investment department of the Mutual Life Assurance Co., Kitchener.

Our hypothetical businessman has brought in for revision the list of securities I recommended a year ago.

The warmth of our client's greeting is not all that could be desired. He becomes more partial when I point out that during the last 12 months the values of Canadian common stocks have decreased by 25%, whereas his principal has been impaired by only 9%. In fact, when I outline some of the catastrophic events which have occurred during this period, he even begins to look pleased with himself and actually becomes anxious to know what I would advise now.

Sell Bonds

We decided that if the war has proved anything in the financial world, then it is that Governments can maintain low interest rates. Consequently, there is no longer the need to retain in the portfolio the $10,000 Dominion and Hydro 2½'s due 1943 and 1941 as a hedge against a decline in bond values. Therefore they ought to be sold and the proceeds placed in longer term obligations affording higher yields. As a satisfactory reinvestment the last war loan yielding 3.125% and Ontario 3¼'s due 1950 at 98.75 to yield 3.40% are suggested.

The $20,000 placed in bonds has shown a slight appreciation. Because of this favorable experience it is decided not to change the proportion of the fund placed in this type of security. However, heavier income taxes are pressing upon our businessman, and a higher investment return will be welcome. The replacing of the two medium-term industrial bonds — Canada Cement 4¼'s and Canadian Canners 4's, both selling below a 4% basis by United Grain Growers 5's due 1948 and Colonial Steamships 6's due 1954 seems a wise step. It is possible to obtain yields of 5.60% and 6.50% respectively on these two bonds. United Grain Growers, since 1929, has reduced its mortgage debt from $5,203,000 to less than $2,600,000. The assets of Colonial Steamships Ltd. have become much more valuable as a result of the shipping losses in the war. With the retirement of the $275,000 prior lien bonds, the 6's due 1954 are now a first charge on the earnings of the company.

Other Revision

This brings us to the equities in the portfolio. The $4,890 invested in Bell Telephone common looms rather large considering that the profits of this company will probably be squeezed by higher taxes and possibly increased costs and that it is difficult to raise the rates charged for its services. A sound precaution is to sell 15 of the 30 shares and absorb the loss of five points involved. One half of the proceeds could be used to add to the portfolio 15 shares of Dominion Textile common selling at 86 to yield 5.81%. The balance enables the averaging down of the investment in International Nickel by purchasing 30 more shares at $38, thus reducing the average cost per share from $48 to $43.70.

The only other change suggested is the sale of five shares of Canadian Industries B. As a result of the excess profits tax the shareholders of this company will have passed on to them only a small part of its increased earnings. With this in mind it appears to be selling at too high a price to earnings ratio. This sale makes it possible to purchase 75 shares of Wright-Hargreaves at $7 yielding over 10%, and to acquire 90 shares of Fleet Aircraft.

It is inconceivable that the United States will either reduce the price of gold or cease purchasing it from the British Empire. Such action would not be in keeping with its avowed policy to assist us in every way short of war to defeat Nazism and Fascism. The common stock of Fleet Aircraft is probably the best of the few media available for Canadian investors to obtain an interest in this fast-growing industry. If the last two decades were the automobile age, then it is a safe prediction that the immediate future will be known as the aircraft age.

With this, what we hope is, sage advice we bid au revoir to our businessman, and hope that a year from now he will have good cause to be in a much more cheerful mood.

Portfolio Suggested

Par Value	Security	Cost Oct. 23 1939	Value Oct. 31 1940
	Bonds		
$	**Short Term:**	$	$
5,000	Dominion, 2½/43 ...	5,068	5,100
5,000	Ont. Hydro, 2½/41 ..	5,000	5,075
10,000		10,068	10,175
	Medium Term:		
2,500	Can. Cement, 4¼/51	2,575	2,587
2,500	Can. Canners, 4/51 ..	2,562	2,500
2,500	Grt. Lakes Pr., 4¼/56	2,500	2,438
2,500	Mont. Power, 3/49 ..	2,350	2,475
10,000		9,987	10,000
20,000	Total high-grade bds.	20,056	20,175
	STOCKS		
Shs.	**Group I:**		
30	Bell Telephone	4,890	4,665
85	B. A. Oil	1,955	1,530
70	Loblaw, A	2,012	1,855
80	Montreal Power	2,400	2,330
		11,257	10,380
	Group II:		
15	Canada Packers	1,320	1,309
10	Can. Industries, B	2,320	2,210
50	Building Products	900	712
40	Fanny Farmer	960	1,080
40	Inter. Nickel	1,920	1,480
35	Noranda Mines	2,730	2,056
25	Steel of Canada	2,200	1,863
		12,560	10,170
	Group III:		
25	Massey-Harris, pref. ..	1,450	850
30	Nat. Steel Car	2,220	1,312
50	Price Bros.	1,150	675
25	West. Can. Flour, pref.	1,125	700
		5,945	3,537
	Total stocks	29,762	24,627
	GRAND TOTAL	49,818	44,802

Auto Sales Show Upturn in Canada

Improvement Over Summer Slackness Is Reflected in October Returns

After falling off from 8% to 13% in value in the summer and early fall, sales of new motor vehicles across Canada swung upward in October. Sales of all types of vehicles during the month showed a gain of about 3% in value, though the number of units sold was about 6% below October, 1939. In the three preceding months number of units sold showed decreases of from 13% to 18%

Total of 6,494 units were sold for a total of $7,977,526 in October. These figures are exclusive of deliveries to the Government for war purposes.

Truck Sales Soar

The upturn in October was accounted for by pronounced gains in sales of trucks and buses, which gained 36% in number and 43% in value over the same month last year. Major increases ranging to 45% to 160% (Manitoba) were registered in every province but Ontario, where a decrease in commercial vehicle sales was reported.

Sales of new passenger cars fell off 15% in number and 7% in value in October, but this was an improvement over preceding months, when declines ranged from 15% to 30%.

As a result of substantial increases in sales in the first half of the year, the cumulative totals for all types of vehicles for the first 10 months of 1940 show gains of 16% in number and 19% in value over 1939. The totals are also ahead of 1938.

NEON PRODUCTS

A dividend of 35 cents a share has been declared on the common stock of Neon Products of Western Canada Ltd., payable Dec. 20, 1940, to shareholders of record, Dec. 5. A similar payment was made last December.

N. B. Tobacco Tax Upheld in Court

Appeal Court Justice Declares Levy Direct and Constitutional

From Our Own Correspondent

MONTREAL. — The New Brunswick Appeal Court has ruled that the 10% provincial tobacco tax is constitutional. Judgment handed down by Chief Justice J. B. H. Baxter stated legislation created a direct tax and was therefore intra vires of provincial legislature.

The judgment stated that the tax: "Seems to fall within the class of excise taxes which may be levied by a provincial legislature. The incidence of the tax falls upon and is borne by the ultimate consumer and cannot be passed on."

Permitted to Appeal Decision

Counsel for The Atlantic Smoke Shop Ltd. asked for and received permission to appeal to the Supreme Court of Canada the appeal court judgment.

The tobacco tax was passed at the last session of legislature. New Brunswick was the first province to levy the tax on tobacco, followed by the Province of Quebec. In both cases the right of the Government to levy the tax is being contested.

Get More Revenue

The new tobacco tax will bring the province considerably more revenue than was anticipated when legislation was enacted last spring.

Last spring monthly revenue of $20,833 was forecast. In October, first month the tax was in effect, revenue was about $20,000. When the tax collection system is fully organized and New Brunswick's 3,900 retail dealers are all remitting the tax, monthly revenue will be considerably greater.

Rail Earnings Best Since '29

Combined Figure Increased 6.3% Over November, 1939

From Our Own Correspondent

MONTREAL. — Combined gross earnings of Canadian railways in November were the highest for this month since 1929. Total amounted to $38.3 millions, an increase of $2.3 millions, or 6.3%, over Nov., 1939.

Increase of Canadian National Railways was wider than that shown by Canadian Pacific Railway. The former reported earnings of $22.4 millions, an increase of $1.8 million, or 8.7%. The latter showed gross traffic earnings for November of $15.9 millions, a gain of $453,000, or 3%.

In the 11 months to Nov. 30, combined gross earnings totalled $378.4 millions, an increase of $56 millions, or 17.4%.

The following are comparative combined monthly earnings:

	1940 $	1939 $
November	38,280,000	36,021,000
October	39,876,000	38,611,000
September	36,765,000	41,969,000
August	36,733,000	29,010,000
July	37,699,000	27,400,000
June	36,552,000	25,544,000
May	33,793,000	28,836,000
April	29,710,000	24,565,000
March	29,528,000	25,084,000
February	29,626,000	22,263,000
January	29,834,000	23,094,000
Totals	378,396,000	322,397,000

Shawinigan Chemicals Extending Kiln Unit

From Our Own Correspondent

MONTREAL.—Shawinigan Chemicals Ltd., wholly-owned subsidiary of Shawinigan Water Power Co., is extending the drying room and kiln at a cost of $36,340, and spending about $45,000 for a new kiln.

Rawhide Matched Set: Fortnight, Aeropack and Fitted Case.*

This Christmas . . .

THE BEST IN BAGGAGE!

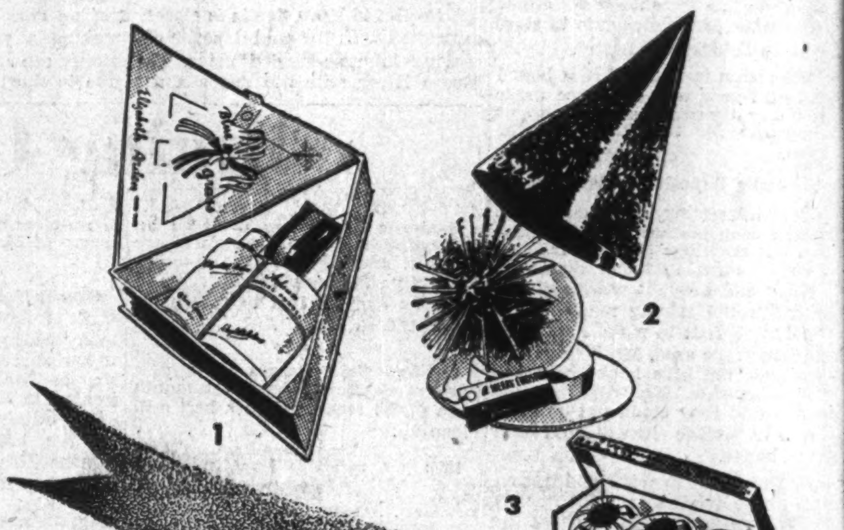
There's an extra satisfaction in giving McBrine Baggage quite apart from the luxury of the finest workmanship and the richness of the selected leathers . . . It's the satisfaction of knowing that the name "McBrine" on your gift will be appreciated as a mark of thoroughbred quality. For everybody knows that McBrine means the best in baggage!

*There is a McBrine Dealer in your locality who will gladly show you these and other big values. See him soon!

Give BAGGAGE by McBRINE — THE NAME THEY KNOW

Elizabeth Arden

These are gifts by "Elizabeth Arden" . . . gifts of loveliness and fragrance . . . gifts that gleam and glisten in their happy wrappings . . . gifts which carry a compliment as well as your best wishes . . . gifts that are sure to bring pleasure and pride . . . as "she" opens them on a bright and frosty Christmas morning.



Simpson's

1. BLUE GRASS GIFT BOX—Containing Flower Mist Dusting Powder and Hand Soap in the famed Blue Grass fragrance. $4.25

2. A dram of BLUE GRASS PERFUME in a gay Christmas-tree ornament $2.25

3. JUNE GERANIUM BATH SOAP—Individually boxed, 75c; three in a box, $2.15; six in a box, $4.00. Magnum size in individual box, $1.35; two in box $2.70

4. BLUE GRASS PERFUME—Elizabeth Arden's most popular fragrance .... $1.35 to $32.50

5. VELVA BATH MITS—Elizabeth Arden's famous luxury for tub or shower. . . . 75c, $2.00, $3.50

6. DUSTING POWDER AND JUNE GERANIUM SOAP—Gaily ribboned and Christmas boxed $1.90

7. FLOWER MIST AND FLOWER MIST DUSTING POWDER—Orange Blossom or Carnation, in gift box $2.15
In White Orchid fragrance $2.75

8. BLUE GRASS SET—Flower Mist and Dusting Powder delightfully boxed $3.25

9. BATH BOX—Containing Bath Mit, June Geranium Soap and choice of Hand-O-Tonik, Bath Oil or Flower Mist $2.65

10. ESSENTIALS—Generous sizes of Elizabeth Arden Cleansing Cream, Skin Lotion and Velva Cream $6.45
With smaller sizes $3.45

11. BEAUTY PRIMER—A novel Beauty Box in a Book Cover containing nine of Elizabeth Arden's essentials for loveliness $6.00

12. BEAUTY SATCHEL—In Black or Brown Alligator Grain containing fourteen of Elizabeth Arden's most necessary preparations $8.50

13. BATH SET—Bath Salts, June Geranium Soap and Ardena Dusting Powder. The Bath Salts also come in spicy Pine $4.35

14. BLUE GRASS FLOWER MIST, $1.35; gift wrapped, $1.60; with atomizer, $2.00; gift wrapped, $2.25; larger sizes, $2.50, $4.00, $8.75.

15. QUICK MAKE-UP KIT—In Black or Brown Alligator Grain — containing ten Elizabeth Arden essentials for a quick make-up . . . an ideal gift for a busy woman $6.85